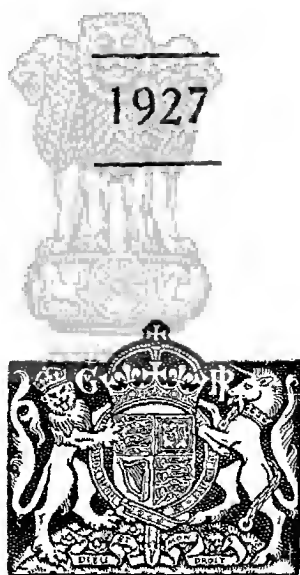


Report of the Indian Tariff Board
on the question of tariff equality
in respect of the manufacture of
Camel Hair, Cotton, and Canvas
Ply Belting including the written
and oral evidence recorded during
the enquiry.



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सत्यमेव जयते

Report on the question of tariff equality in respect of the manufacture of Camel Hair, Cotton, and Canvas Ply Belting.

The question of the adjustment of the tariff so that the duties on imported manufactured articles are not lower than the duties on the raw materials from which similar articles are manufactured in India, was referred to the Tariff Board under Resolution No. 38-T (2), dated the 28th March, 1925, which runs as follows:—

“ The Government of India have received a number of representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list of such representations is appended to this Resolution. The representations will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit.

Firms or persons interested in the above enquiry should address their representations direct to the Secretary of the Tariff Board.”

2. In this class of enquiry no question of protection as such arises and, consequently, we are not required to determine whether the industry under consideration fulfils the conditions laid down by the Fiscal Commission as essential to the grant of protection. Further, the matters to which it is necessary to direct our attention are limited and no enquiry is necessary into such matters as the cost of production, overhead charges or the fair selling price of Indian manufactured articles. It is, therefore, possible to reach our conclusions after a comparatively brief enquiry, while our report also can with advantage be drawn up on more summary lines than those previously followed by the Board.

3. In this report we propose to deal with three articles manufactured in India, viz., cotton belting, hair belting and canvas ply belting. The applicants in regard to the first are Messrs. Birkmyre Brothers, Calcutta, in regard to the second, Messrs. Birkmyre Brothers and the Bengal Belting Works, Calcutta, and in regard to the third, Messrs. Tyabji and Company, Rangoon.

Cotton belting.

4. Cotton belting is woven from imported cotton yarn of the following counts:—

6 ply × 15 counts.
 10 ply × 14 counts.
 15 ply × 15 counts.
 18 ply × 13½ counts.
 22 ply × 13½ counts.

None of these sizes is at present used for any other purpose than the manufacture of machine belting, though for a time some of them were used in the selvedge of jute cloth. The other imported raw materials are used in painting or dressing the belt. There are three alternative methods of this finishing treatment, *viz.*, dressing with a cling surface solution, with a mixture of red oxide, linseed oil and terebine, or with black proofing.

Taking into account the quantities used and the price, black proofing stands in the matter of cost about midway between the other two kinds of dressing and we propose to base our calculations on the assumption that black proofing is invariably used. Another point also requires explanation. Belting is manufactured in different sizes and the quantities of materials used per unit of finished article as well as the cost of imported belting varies according to size. We base our calculations on 3½ inch belting which appears fairly representative of the kinds of belting most commonly in use in this country. The relevant figures are given below:—

| Material used. | Amount used per 100 feet of belting. | Landed price without duty. | Rate of duty. | Total duty. |
|--------------------------|--|----------------------------------|-------------------------------------|-------------|
| | Lbs. | Rs. A. P. | | Rs. A. P. |
| Cotton yarn | 26·17* | 35 13 4·88 | 1½ annas per lb. | 2 7 3 |
| Black proofing | 21·25 | 5 8 5·22 | 15 per cent. <i>ad valorem</i> . | 0 13 3 |
| TOTAL | 47·42 | 41 5 10·10 | ... | 3 4 6 |

* Average for the three years ending 1925-26.

Cotton belting is imported free of duty under Act XXIV, 1927, and the Indian manufacturer is, therefore, at a disadvantage in the matter of Customs duty of Rs. 3-4-6 per 100 feet of belting. Cotton belting of comparable quality is landed in Calcutta at approximately Rs. 59 per 100 feet free of duty.

5. It is possible to secure tariff equality either by abolishing the duty on the raw materials required by the Indian manufacturer, or by imposing a duty on the imported finished article or by a combination of both methods. We have received evidence that the

Methods of securing
tariff equality

cotton yarns imported for this industry are too coarse for the manufacture of cotton cloth and hosiery, and although they have been occasionally used in small quantities in the jute industry, they are used almost exclusively for the manufacture of belting. Black proofing also, so far as we can ascertain, is used for no other purpose and the removal of the duty on this material appears feasible. On the other hand, the raw materials required for other forms of dressing, in particular, red oxide and linseed oil, are used also in other industries and the removal of the duty on these would present difficulties. Further, we are conscious of the fact that the cotton mill industry has but recently been found to require assistance from Government. Although the classes of cotton yarn required for the manufacture of belting are not produced in any great quantities in India, we have received evidence from the Bengal Belting Company that their belting is manufactured from Indian made cotton yarn, while Messrs. Birkmyre Brothers are also experimenting with yarn produced in this country. The unsuitability of Indian yarn is due to lack of uniformity in texture and not to any inherent difficulty in manufacture, and it is reasonable to hope that with more experience suitable yarn may be produced by Indian mills. We are averse, therefore, to any action which might unfavourably affect the market for the products of Indian mills and consider it undesirable to propose any change in the duty on cotton yarn. We would, however, remove the duty, at present standing at 15 per cent. *ad valorem*, on black proofing. Taking the average proportion in which belting has been treated with black proofing in Messrs. Birkmyre Brothers' works, the duty on black proofing represents approximately half the total duty paid on dressing materials. The removal of duty would ensure relief to Indian manufacturers of about 7 annas per 100 feet of cotton belting produced.

6. There remains a disadvantage of Rs. 2-13-6. In order to attain equality of treatment both for Indian manufacturers and importers, it would be necessary to propose a duty of about 5 per cent. *ad valorem* on imported cotton belting. Our proposals for cotton belting, therefore, are as follows:—

- (1) a duty of 5 per cent. *ad valorem* should be imposed on imported cotton belting;
- (2) the 15 per cent. *ad valorem* duty on black proofing should be abolished.

7. We turn now to hair belting. This article is woven partly from cotton yarn, partly from a kind of imported yarn known as camel hair. In addition, the belting is treated in the same way as cotton belting with a cling surface solution, black proofing or red oxide. We take as typical the 3½ inch belt and, for the purpose

of our calculation, take into account the form of dressing with black proofing only. The figures are as follows:—

| Material. | Amount used per 100 feet of belting. | Landed price without duty. | Rate of duty. | Total duty. |
|-------------------------|--|----------------------------------|-------------------------------------|---------------------------|
| | Lbs. | Pies. | | Pies. |
| Camel hair yarn | 24.2 | 7937.6 | 15 per cent. <i>ad valorem</i> . | 1190.64 (Rs. 6-3-2 64) |
| Cotton yarn | 18.4 | 4837.9 | 1½ annas per lb. | 331.2 (Rs. 1-11-7 2) |
| Black proofing | 21.25 | 1061.2 | 15 per cent. <i>ad valorem</i> . | 159.18 (Rs. 0-13-3 18) |

8. The total duty paid on the raw materials is thus Rs. 8-12-1.02 per 100 feet of belting manufactured. No duty is leviable on imported hair belting. We propose that a duty of 5 per cent. *ad valorem* should now be imposed, which calculated at

Duty on imported hair belting proposed.
the present price of 3½ inch hair belting, would amount to Rs. 4-10-0 per 100 feet. We also propose that, as in the case of cotton belting, the 15 per cent. duty on black proofing should be removed. This on the total production of belting represents a reduction in duty of approximately 7 annas per 100 feet. With these adjustments the Indian manufacturer still remains at disadvantage of Rs. 3-11-1 per 100 feet. To meet this we propose that the duty on camel hair yarn, 15 per cent. *ad valorem* should be reduced to 6 per cent. *ad valorem*.

9. So far as we have been able to ascertain, camel hair is unsuitable for any purpose other than the manufacture of belting.

Reduction of duty on imported hair yarn.
It is not produced in India as yet on a commercial scale, though one mill has, we understand, produced a small quantity recently for experimental purposes. From the point of view of the Indian mill industry, the production of camel hair yarn is of little importance at the present stage. The reduction of the duty on this raw material appears, therefore, a suitable form of relief. If these proposals are accepted, the position will be as follows:—

| Duty on raw materials paid by Indian manufacturers per 100 feet of belting. | Relief afforded by proposals now made per 100 feet of belting. | | | | | | | | | | | | | | | | | | | | |
|---|--|----|-----|----|----|--|---|---|---|--|---|----|---|--|---|----|---|--|-------|----|---|
| Rs. 8-12-1-02 | <table><tr><th></th><th>Rs.</th><th>A.</th><th>P.</th></tr><tr><td>(1) Abolition of duty on black proofing</td><td>0</td><td>7</td><td>0</td></tr><tr><td>(2) Reduction of duty on camel hair</td><td>3</td><td>11</td><td>6</td></tr><tr><td>(3) Imposition of 5 per cent. duty on imported belt- ing</td><td>4</td><td>10</td><td>0</td></tr><tr><td></td><td>Rs. 8</td><td>12</td><td>6</td></tr></table> | | Rs. | A. | P. | (1) Abolition of duty on black proofing | 0 | 7 | 0 | (2) Reduction of duty on camel hair | 3 | 11 | 6 | (3) Imposition of 5 per cent. duty on imported belt- ing | 4 | 10 | 0 | | Rs. 8 | 12 | 6 |
| | Rs. | A. | P. | | | | | | | | | | | | | | | | | | |
| (1) Abolition of duty on black proofing | 0 | 7 | 0 | | | | | | | | | | | | | | | | | | |
| (2) Reduction of duty on camel hair | 3 | 11 | 6 | | | | | | | | | | | | | | | | | | |
| (3) Imposition of 5 per cent. duty on imported belt- ing | 4 | 10 | 0 | | | | | | | | | | | | | | | | | | |
| | Rs. 8 | 12 | 6 | | | | | | | | | | | | | | | | | | |

These proposals afford substantial tariff equality to the Indian manufacturers.

10. Canvas ply belting is used for conveyor belts mainly in rice mills. From the evidence which we have received, it would appear that the industry is of small importance.

Canvas ply belting. Messrs. Birkmyre Brothers state that the demand for this class of belting is so limited that any enquiry into the matter would be a waste of time, while though they manufacture such belting in small quantities in their canvas department, they do not press for any relief in respect of duty on canvas used in such manufacture. We have also been told by the Bengal Belting Works, Limited, that no canvas ply belting is manufactured by them. The Collector of Customs, Calcutta, states that very little of this class of belting is imported, while we have been able to obtain no information from the Collector of Customs, Rangoon, as to the amount imported. We inspected the factory of Messrs. Tyabji and Company, the only applicant for relief, at Rangoon. The method of manufacture is simple. Imported cotton duck is folded over into the requisite number of plies, which are then stitched together by means of a sewing machine. After the belting has been stitched, it is dressed with red oxide and linseed oil and is then hung up to dry. At the time of our inspection four men only were employed at the factory, though we were informed that when working fully the number of employees was ten. In these circumstances, we doubt if the manufacture of canvas ply belting can be regarded as an industry at all. At the same time, we have recommended tariff equality both in the case of cotton and hair belting and think it would be invidious to distinguish between these and canvas ply belting. We proceed, therefore, to examine the application.

11. Messrs. Tyabji and Company have waived all claim for a reduction of duty or other form of compensation on all raw materials save cotton duck. For the purpose of

Board's proposals. our calculations we propose to consider 8 ply belting 9 inches broad, which appears to us representative of the various kinds of canvas ply belting in use in India. Allowing for wastage, to produce 100 feet of belting 101½ feet of cotton duck 76 inches wide is required, the landed price of which without duty is Rs. 101-8-0. The duty payable on this, viz., 11 per cent. *ad valorem*, amounts to Rs. 11-165. Ply belting is imported free of duty and on every 100 feet of belting manufactured, the Indian maker is at a disadvantage of Rs. 11-165. We have considered whether it would be feasible to recommend the removal of the duty on cotton duck, but in view of the evidence of the representatives of the Customs Department that this material is used for other purposes than the manufacture of belting, serious administrative difficulties might arise in giving effect to any such proposal. Nor are we inclined to recommend the removal of the duty on all cotton duck for whatever purpose imported, since this would involve a loss of revenue of some Rs. 70,000 a year while the advantage

which would accrue to Messrs. Tyabji and Company would on the latest figures be less than Rs. 1,000 annually. There appears, therefore, to be no alternative but to recommend the imposition of a duty on cotton ply belting. We have been unable to obtain satisfactory information as to the price at which canvas ply belting is landed in India, partly because the demand is so small that the leading belting importers do not stock it, partly because the discounts allowed in the trade are very large and variable, running up to as much as 75 per cent. We believe, however, that it will be fairly safe to assume that for the class of belting which competes with that produced by Messrs. Tyabji and Company, the landed price cannot be much in excess of the nett retail price of the Indian made article which, we are informed, is Rs. 1-14-0 per foot for the 8 ply 9 inch belt. We assume, therefore, for our calculation that the landed price of similar imported belting will not exceed Rs. 2 per foot. We have found that the duty paid by the Indian manufacturer on the raw materials required to manufacture 100 feet of 8 ply 9 inch belting is Rs. 11-16-5. In order, therefore, to secure tariff equality a duty of 5-58 per cent. on the imported article would be necessary. We have already, in this report, expressed our view that the duty on all three kinds of fabric belting should be uniform and we are not, therefore, prepared to recommend a duty of more than 5 per cent. on imported cotton ply belting.

12. We have before us no applications in respect of leather belting or the various forms of rubber composition belting and though on the ground of uniformity and administrative convenience it may be considered desirable to impose the same duty on all kinds of belting, we refrain from making any recommendation. As regards the three classes of belting which we are considering, we think a good case for tariff equality has been established. Our proposals are, therefore, as follows:—

Summary of recommendations.

Cotton belting.—The 15 per cent. *ad valorem* duty on imported black proofing should be abolished and a duty of 5 per cent. *ad valorem* should be imposed on imported cotton belting.

Hair belting.—The 15 per cent. *ad valorem* duty on imported black proofing should be abolished and the duty on imported camel hair yarn should be reduced from 15 per cent. to 6 per cent. *ad valorem* and a duty of 5 per cent. *ad valorem* should be imposed on imported hair belting.

Canvas ply belting.—A duty of 5 per cent. *ad valorem* should be imposed on imported canvas ply belting.

A. E. MATHIAS—*President.*

J. MATTHAI—*Member.*

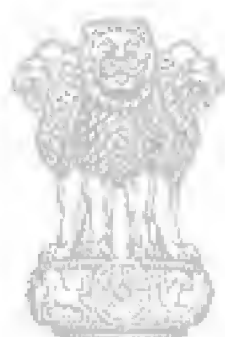
C. B. B. CLEE—*Secretary.*

28th October, 1927.

Evidence.



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DEPARTMENT OF COMMERCE.

RESOLUTION.

TARIFFS.

Delhi, the 28th March 1925.

No. 38-T. (2).—The Government of India have received a number of representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list of such representations is appended to this Resolution. The representations will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit.

2. Firms or persons interested in the above enquiry should address their representations direct to the Secretary of the Tariff Board.

ORDER.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Director General of Commercial Intelligence, the Indian Trade Commissioner in London and the Secretary of the Tariff Board.

Ordered also that it be published in the *Gazette of India*.

D. T. CHADWICK,
Secy. to the Govt. of India.

List of representations.

| No. | Applicant. | Manufactured articles or works. | Rate of duty to which now subject. <i>Ad val.</i> | MAIN COMPLAINT THAT MATERIALS ARE ASSESSED AT HIGHER DUTIES. | | Subsidiary request. |
|-----|---|---|--|--|--|---------------------|
| | | | | Articles. | Duty. | |
| 5 | Messrs. Birkmyre Bros., Calcutta. | * * * | * | * * * | * * * | * * * |
| | | Hastings belting . . . | 2½ per cent. | Cotton yarn . . . | 5 per cent. plus excise 3½ per cent. | |
| | | Camel hair belting . . . | 2½ per cent. | Camel hair yarn . . . | 15 per cent. | |
| 6 | Messrs. S. A. Tyabji and Company, Rangoon. | Cotton canvas ply elevator belts . . . | 2½ per cent. | Cotton duck . . . | 11 per cent. | |
| | | Leather belting . . . | 2½ per cent. | Belting cement . . . | 15 per cent. | |
| 8 | The Eureka Belting Works, Limited, Salkia. | Hair belting . . . | 2½ per cent. | Camel hair yarn . . . | 15 per cent. | |
| | | * * * | * | * * * | * * * | * * * |

**Press Communiqué issued by the Tariff Board on the 30th
April, 1927.**

The Indian Tariff Board is at present engaged in enquiring into a representation made by the manufacturers in India of machine belting other than leather belting. This representation protests that the local manufacturer is seriously handicapped by the advantage possessed by his foreign competitors in that whereas the duty on imported belting is $2\frac{1}{2}$ per cent. *ad valorem* that levied on the raw materials necessarily imported for the making of such belting in India ranges from 5 to 15 per cent. The Board is examining the firms concerned with the representation but would be glad to have the views on this question of any firms or persons, interested as users or importers of foreign belting, who may favour or oppose any change in the existing systems and is prepared to give full consideration to any such communications provided they are received at the Board's office at No. 1, Council House Street, Calcutta, by the 31st May, 1927.



नमो भगवते वासुदेवाय

**Questionnaire for the manufacturers of machine belting
issued by the Tariff Board on the 19th January 1927.**

Introductory.

1. At what date did your firm commence the manufacture of camel hair and cotton belting?
2. What quantities of hair and cotton belting can your works produce per year when working to capacity?
3. What has been your actual output in each of the last 5 years of—
 - (1) hair belting;
 - (2) cotton belting?
4. Can you form any estimate as to the quantities of each kind of belting annually manufactured in India?
5. What other firms in India to your knowledge make hair or cotton belting?
6. Does your firm undertake the manufacture of belting only or of other products as well? Please enumerate the other products, if any.

Raw materials.

7. What raw materials are required for the manufacture of cotton
hair
canvas ply
belting?
8. Which of the raw materials are produced in India and which are imported?
9. What quantity of (1) camel hair
cotton yarn
cotton duck and (2) each of the other raw materials
is required for the production of one unit of cotton
canvas ply
camel hair belting?
(The customary unit should be stated.)
10. What were your annual requirements of each of these raw materials—
 - (a) according to your rate of production (which should be stated) during the last three years,
 - (b) according to the rate of output equivalent to the full capacity of the plant.
11. Please give the cost per customary unit delivered at your factory of each raw material produced in India.
12. Please give the average cost per customary unit of each imported raw material under the following heads during the last three years:—
 - (a) c.i.f. price nearest port;
 - (b) landing charges;
 - (c) duty;
 - (d) cost of transport to factory.
13. What was the total amount paid by you as Customs duty on raw materials in each of the last three years? What percentage in each year was the Customs duty paid on raw materials?
 - (i) of the total cost of imported materials delivered at the factory,
 - (ii) of the total works costs?
14. Are camel hair and cotton yarns, or cotton duck of the kind you import, or any of your other imported raw materials used for any purpose in India other than for the manufacture of belting?

Market.

15. Can you form any estimate of the total annual demand in India for
 camel hair belting
 cotton belting ?
 canvas ply belting

16. For what kind of machinery and in what industries is
 camel hair belting
 cotton belting
 canvas ply belting
 mainly used?

17. State the amounts and value of cotton
 canvas ply belting supplied by you
 hair
 to each main industry in the last three years.

18. Have you exported any cotton
 canvas ply belting to other countries?
 hair

19. To what extent would be a system of rebate of duties on the raw materials if the finished products are exported, facilitate the establishment of markets outside India?

Works costs.

20. Please fill up the two forms annexed to this questionnaire regarding works costs.

Explanation.—(a) The years for which figures have been asked for are 1923-24, 1924-25 and 1925-26, but the figures of the last three complete years for which figures are available may be given. (b) The figure given against raw materials, Indian or imported, should be the cost delivered at the factory but excluding, in the case of imported materials, the Customs duty.

21. Was the cost increased in any of the years for which figures have been given owing to the fact that the factory was working at less than its full capacity? If so, which were the items principally affected? To what extent would they probably have been reduced if the calculations had been based upon the full output of which your factory is capable?

Foreign competition.

22. Which are the foreign countries from which competition in the Indian markets is keenest?

23. Please state—

(1) the prices at which cotton
 canvas ply belting has entered the country
 hair
 and been sold in each of the last three years. The c.i.f. price of imported material, Customs duty and landing charges should be stated separately;

(2) the prices realized by you in the same years.

24. From what sources is information obtainable as to the prices at which
 cotton
 canvas ply belting enters the country?
 hair

Financial position.

25. What rate of dividend has been paid by your Company in each of the last three years?

26. Please send six copies of your balance sheet for each of the last three years.

Claim to assistance.

27. In paragraph 97 of their Report the Fiscal Commission laid down three conditions which in ordinary cases ought to be satisfied by industries claiming

protection. Do you consider that those conditions are satisfied in the case of the cotton canvas ply belting industry and in particular—
hair

- (a) Do you claim that the industry possesses natural advantages such as an abundant supply of raw materials, cheap power, a sufficient supply of labour or a large home market;
- (b) Do you claim that without the help of protection the industry is not likely to develop at all or is not likely to develop as rapidly as is desirable in the interests of the country;
- (c) Do you claim that the industry will eventually be able to face world competition without protection.

28. Do you claim that the cotton canvas ply belting industry satisfies either or both of the conditions mentioned in paragraph 98 of the Fiscal Commission's report, viz.:—
hair

- (a) That the industry is one in which the advantage of large scale production can be achieved and that increasing output would mean increasing economy of production.
- (b) That it is probable that in course of time the whole needs of the country could be supplied by the home productions?

29. Do you consider that the industry is of importance on national grounds and therefore deserves protection apart from economic considerations?

FORM I.

Statement showing total expenditure incurred on the production of cotton canvas ply camel hair belting in certain years.

| | 1923-24. | 1924-25. | 1925-26. |
|---|----------|----------|----------|
| 1. Indian raw materials | | | |
| 2. Imported raw materials without duty | | | |
| 3. Customs duty on imported materials | | | |
| 4. Labour | | | |
| 5. Power and fuel | | | |
| 6. Other expenditure | | | |
| TOTAL | | | |
| Total production of <u>cotton</u> <u>canvas ply</u> <u>camel hair</u> belting | | | |

FORM II.

Statement showing works cost per 100 yards or other customary unit of
cotton
canvas ply belting.
camel hair

| | 1923-24. | 1924-25. | 1925-26. |
|---|----------|----------|----------|
| 1. Indian raw materials | | | |
| 2. Imported raw materials without duty | | | |
| 3. Customs duty on imported materials | | | |
| 4. Labour | | | |
| 5. Power and fuel | | | |
| 6. Other expenditure | | | |
| TOTAL | | | |
| Deduct—credit for materials recovered, if any | | | |
| Nett total | | | |

MESSRS. BIRKMYRE BROTHERS.

A.—WRITTEN.

(1).—*Representation, dated the 12th July 1923, to the Commerce Department, Government of India, Simla.*

We beg to draw your attention to the following anomalies which exist in the Customs Import Tariff and which are seriously hampering the development of manufacture of machine belting in India for Indian Mills and Indian Industrial Works.

Cotton Yarns.—The duty on Cotton Yarn which we use in the manufacture of Hastings Belting is 5 per cent. In addition to this the Government of India in their Finance Department letter No. 270, dated 19th May 1923, have decided that Belting and Listing made wholly or partially from cotton should be subject to the $3\frac{1}{2}$ per cent. excise levy, making the total tax on our Belting of $8\frac{1}{2}$ per cent. The Import Duty on Home and Foreign manufactured Belting is $2\frac{1}{2}$ per cent. which means that we are faced with a handicap of 6 per cent. in the sale of our Belting which is manufactured in the country.

We presume the extra $3\frac{1}{2}$ per cent. levy on Cotton Belting and Listing was intended to be applicable to Belting made from Indian Cotton Yarns and not to Belting manufactured from Imported Cotton Yarn on which a duty of 5 per cent. has been already charged.

Camel Hair Yarn.—The Import Duty on Camel Hair Yarn is 15 per cent. whereas Camel Hair Belting imported from abroad is only dutiable to the extent of $2\frac{1}{2}$ per cent. Thus the Indian manufactured belt is hampered to the extent of $12\frac{1}{2}$ per cent.

As the current Indian Tariff on Import Duties was drawn up almost entirely with the object of affording a footing to indigenous industries the imposition of the aforementioned import duties on yarns intended for the manufacture of belting and listing in India would appear to be contrary to the spirit of the Indian Customs regulations and we conclude it is not Government's intent to hamper an Indian Industry when its openly avowed policy is to give every support to such. We, therefore, pray you will refer our case to the Government Tariff Committee which we understand is shortly to sit, and obtain a ruling reducing the rate on Belting Yarns to $2\frac{1}{2}$ per cent. and thus put us on at least the same fiscal footing as foreign manufacturers of Hair and Cotton Belting.

(2).—*Further representation, dated 8th February 1924, to the Finance Department, Government of India, Delhi.*

We have the honour to bring to your notice the following anomalies which exist in the Customs Import Tariff and which are seriously hampering the development of manufacture of machine belting in India for Indian Mills and Indian Industrial Works.

Cotton Yarns.—The duty on cotton yarn which we use in the manufacture of "Hastings" Belting is 5 per cent. In addition to this the Government of India in their Finance Department letter No. 270, dated 19th May 1923, have decided that Belting and Listing made wholly or partially from cotton should be subject to the $3\frac{1}{2}$ per cent. excise levy, making the total tax on our Belting of $8\frac{1}{2}$ per cent. The import duty on home and foreign manufactured belting is $2\frac{1}{2}$ per cent. which means that we are faced with a handicap of 6 per cent. in the sale of our Belting which is manufactured in the country.

We presume the extra $3\frac{1}{2}$ per cent. levy on cotton belting and listing was intended to be applicable to belting made from Indian cotton yarns and not to belting manufactured from imported cotton yarn on which a duty of 5 per cent. has been already charged.

Camel Hair Yarn.—The import duty on camel hair yarn is 15 per cent. whereas camel hair belting imported from abroad is only dutiable to the

extent of $2\frac{1}{2}$ per cent. Thus the Indian manufactured belt is hampered to the extent of $12\frac{1}{2}$ per cent.

As the current Indian tariff on import duties was drawn up almost entirely with the object of affording a footing to indigenous industries the imposition of the aforementioned import duties on yarns intended for the manufacture of belting and listing in India would appear to be contrary to the spirit of the Indian Customs regulations and we conclude it is not Government's intent to hamper an Indian industry when its openly avowed policy is to give every support to such.

The Customs authorities in Calcutta inform us that this is a case which you will be able to dispose of summarily yourself and we trust you will give the matter your favourable consideration, as we are finding it increasingly difficult to compete with imported belting under present conditions.

(3).—*Further representation, dated 29th May 1924, to the Government of India, Commerce Department.*

With reference to the correspondence resting with your letter No. 234-T (5), dated 9th May 1924, would you very kindly add the following remarks to the case already submitted by us.

We assume that the duty on imported yarns was imposed with the object of "protecting" the cotton and woollen industries of India and the fact that the measure acts adversely on the Textile Belting Industry of India, and to the advantage of imported Belts, is incidental. This duty is a decided hardship to manufacturers of Belting in India and as this effect is unforeseen and unintentional, perhaps, we may conclude that Government would be willing to consider our case favourably and to reduce or abolish the duty so far as Belting Yarns are concerned, provided Government could be reasonably sure that such action would not be open to abuse by importers of Belting Yarns.

We are, perhaps, the largest importers into India of Textile Belting Yarns, both Hair Yarns and Cotton Yarns. In the year 1923 we imported 1,00,000 lbs. Hair Yarns and about 1,25,000 lbs. Cotton Yarns. *These imports are used solely for the manufacture of Textile Belting* and we are always prepared to produce evidence to prove this for the satisfaction of Government. So far as we are aware there is no other outlet for the particular counts we import which are specially spun to our order and are as follows:—

Hair Yarn.—3 ply/5s. and 4 ply/5s.

Egyptian Cotton Yarn.—6 ply/13½s., 10. ply/4s., 18 ply/13½s., 22 ply/13½s., 15 ply/15s.

The import duty at present is 15 per cent. on Hair Yarn and 5 per cent. (plus Excise Levy of $3\frac{1}{2}$ per cent.) on Cotton Yarn. Textile Belting of precisely the same texture and manufacture as our "Hastings" qualities is penalised only to the extent of $2\frac{1}{2}$ per cent. We have previously represented to Government the fact that we are finding it increasingly difficult to compete in price with imported belting owing to this disadvantage and the position now has become so acute that we find it necessary to curtail production to bring out output into line with our sales. *To do this we have been obliged to close down entirely 24 looms out of a total of 42 looms and the remaining 18 looms are working only 4 days per week.* It will be realised that short time and more than half our looms closed down for an indefinite period has resulted in a serious increase in our overhead expenses, making it still more difficult for us to compete with the imported Belting.

We may mention that we have been protesting against this duty for a number of years past but so far we have not been able to obtain relief.

May we again commend this matter to the Government's careful consideration. It is scarcely necessary for us to add that we will be prepared to lend every assistance in our power to facilitate an official enquiry and satisfy Government that the Yarns imported by us for the manufacture of Belting are actually utilised for this and for no other purpose.

(4).—*Further representation, dated 4th November 1924, to the Government of India, Commerce Department.*

With reference to previous correspondence in the above connection, in view of the fact that our case has been represented to your Department in a number of letters at various intervals, and as certain new factors have to be put before you, we think it would be advisable to review our case in its entirety in one letter. This will doubtless be a convenience to the Members of the Tariff Board when our case comes up for examination and we accordingly have the honour to place before you the following remarks:—

At our Hastings Mill, Rishra, E. I. Railway, we manufacture Textile Belting (known as "Hastings" Hair Belting and "Hastings" Cotton Belting) from imported Hair Yarns and Cotton Yarns.

Camel Hair Yarn.—The import duty on Camel Hair Yarn is 15 per cent. As it is not practicable to manufacture a Hair Belting entirely from Camel Hair Yarn (and at the same time produce a belt of the "firmness" required by consumers of belting) without the introduction of a certain amount of strong Cotton Binder Yarn, the belting known as "Hastings" Hair Belting is subject to a further levy of $3\frac{1}{2}$ per cent. excise duty owing to its being made partially from Cotton Yarn.

The total duty levied, therefore, is $18\frac{1}{2}$ per cent.

As against this the Hair Belting manufactured at Home and abroad, although composed of precisely the same yarns (Hair and Cotton) as our "Hastings" belting, is only dutiable to the extent of $2\frac{1}{2}$ per cent. Thus the Indian manufactured belt is penalised to the extent of 16 per cent.

Cotton Yarn.—The import duty on cotton yarn is 5 per cent., plus the excise levy of $3\frac{1}{2}$ per cent., making a total tax on our belting of $8\frac{1}{2}$ per cent.

As against this, the import duty on home and foreign manufactured belting is $2\frac{1}{2}$ per cent., which means that we are faced with a handicap of 6 per cent. in the sale of our "Hastings" Cotton Belting which is manufactured in India.

We understand the current Indian Tariff of import duties was drawn up almost entirely with the object of affording a footing to indigenous industries, and the imposition of the aforementioned import duties on Yarn intended for the manufacture of belting in India would appear, therefore, to be contrary to the spirit of the Indian Customs Regulations. We conclude it is not Government's intent to hamper an Indian industry when the openly avowed policy is to give every support to such.

As regards the $3\frac{1}{2}$ per cent. excise levy—we presume this was intended to be applicable to Belting made from Indian Cotton Yarn and not Belting manufactured (either wholly or partially) from imported Cotton Yarn, on which a duty of 5 per cent. is charged when it enters the country.

It is a considerable number of years since we first approached Government in this matter, but up to time of writing our requests for adjustment of our case have not met with any success.

We trust, therefore, that the Tariff Board will extend a sympathetic consideration to our case, and that they will be pleased to issue a rule reducing the rate on Belting yarns (both Hair and Cotton) to $2\frac{1}{2}$ per cent., or abolishing the duty entirely as far as Belting Yarns are concerned, and thus put us on an equal fiscal footing with Home and foreign manufacturers of Hair and Cotton Belting.

The matter is of vital importance to us as the Pioneers of the Belting Industry in India and the largest manufacturers in India of Textile Belting. We are finding it increasingly difficult to compete with imported belting which pays only $2\frac{1}{2}$ per cent. import duty.

We are not asking for protection—all we request is that legislation be passed that will remove the handicap under which we are labouring. We submit that sellers of imported belting are favoured unduly by the present Tariff and we are unable to sell in competition with imported Beltings except at a dead loss. The position is causing us grave anxiety.

We assume that the duty on imported yarns was imposed with the object of "protecting" the Cotton and Woollen Industries of India and the fact that the measure acts adversely on the Textile Belting Industry of India and to the advantage of imported belting, is incidental. This duty is a decided hardship to manufacturers of belting in India and as this effect is unforeseen and unintentional, perhaps, we may conclude that Government would be willing to consider our case favourably and to reduce or abolish the duty so far as Belting Yarns are concerned, provided Government could be reasonably **sure** that such action would not be open to abuse by importers of Belting Yarns.

We are perhaps the largest importers into India of Textile Belting Yarns, both Hair and Cotton Yarns. In the year 1923 we imported about 1,00,000 lbs. Hair Yarns and about 1,25,000 lbs. Cotton Yarns. These imports are used solely for the manufacture of Textile Belting and we are always prepared to produce evidence to prove this for the satisfaction of Government. So far as we are aware there is no other outlet for the particular counts we import, which are specially spun to our order, and are as follows:—

Hair Yarn.—3 ply/5s. and 4 ply/5s.

Egyptian Cotton Yarn.—6 ply/13½s., 10 ply/4s., 18 ply/13½s., 22 ply/13½s., 15 ply/15s.

We have represented above the fact that we are finding it increasingly difficult to compete in price with imported belting owing principally to the high rate of duty leviable on our yarn, and the position recently became so acute that we found it necessary to curtail production to bring our output into line with our sales. To do this we were obliged to close down entirely 24 looms (out of a total of 42 looms) and the remaining 18 looms were working only 4 days per week. It will be realised that short time and more than half our looms closed down has resulted in a serious increase in our overhead expenses making it still more difficult for us to compete with imported belting.

May we again commend this matter to the Government's careful consideration. It is scarcely necessary for us to add that we will be prepared to lend every assistance in our power to facilitate an official enquiry and satisfy Government that the Yarns imported by us for the manufacture of Belting are actually utilised for this and for no other purpose.

(5).—*Letter, dated the 12th February 1926, to the Tariff Board.*

Import duty on hair yarn and cotton yarn imported into India for the manufacture of textile belting for driving machinery.

With reference to our representation to the Tariff Board in the above connection and also to the correspondence resting with your letter No. 47, dated the 27th January 1926, we notice that the Tariff Board, in the case for protection in the Printers' Ink Industry, has made a recommendation to the Government (which has been accepted) to the effect that the import duty on Printers' Ink be raised to 5 per cent. (from 2½ per cent.) and that the import duty on the necessary constituents of Printers' Ink should remain at 15 per cent.

If there is any possibility of this case being considered as parallel to our own representation in connection with belting and belting yarn, we would respectfully represent to the Board that an increase in duty from 2½ per cent. to 5 per cent. on imported belting would be of no material assistance to the indigenous industry of textile belting manufacture. Excepting a negligible quota, all the constituents and ingredients used by us in the manufacture and production of the finished belt are imported from home and carry an import duty of 15 per cent. and unless imported belting is penalised

to the same extent (namely 15 per cent.), the indigenous industry must continue under a severe handicap.

Textile belting manufactured in India for export to foreign countries.

We have made a strong effort to create an export trade and to introduce "Hastings" belting into a number of other countries, e.g., Africa, Buenos Aires, Australia, etc. We find, however, that we cannot compete in price with competitive belts of a similar grade to our own, the reason being that under existing regulations we can obtain no drawback of import duty paid by us on the constituents and ingredients of the belt, when we export the manufactured article. The position therefore is that a *double* import duty is attached to "Hastings" belting by the time it is landed in a foreign port, namely, import duty into India and import duty at the destination port. In the case of South Africa, we have been forced to close down our agencies and the belting has been returned to this country. Similarly in other countries, our sales are practically at a standstill and we fear that the same action will be necessary in these cases also.

We pray that the Board will be pleased to give their kindly consideration to this point when our case comes up for examination. We submit that it would be to the advantage of the Government of India to introduce special legislation to meet a case of this nature as the result would undoubtedly be an increase in the value of exports.

It will be observed that whilst the Government has avowed its intention of protecting or assisting indigenous industries, the present position is that the industry of the manufacture of textile belting in India is handicapped to such an extent that it is not even on equal terms with imported belting either when offered for sale in India or abroad.

(6) Letter, dated the 14th February 1927.

With reference to your letter No. 99, dated 19th January 1927, we now have the honour to hand you herewith our replies (with six spare copies) to the Questionnaire drawn up by the Board.

If we were to answer certain of the queries raised in the Questionnaire we should divulge important information which we are anxious should not be made public lest it be made use of to our detriment by our competitors. We have indicated this in our replies; but should the Board decide that the particulars are essential to the enquiry, we will be pleased to furnish these: in which event we trust that in the circumstances these answers may be treated as confidential, and not made public.

Would you kindly acknowledge receipt of this cover and inform us at your convenience as to the date fixed by the Board for the oral evidence to be taken.

Replies by Messrs. Birkmyre Bros. to Questionnaire on Hair and Cotton Textile Belting.

1. Manufacture of cotton belting commenced 1882.

Manufacture of hair belting commenced 1904.

2. Production per annum with all looms working full time six days per week would be (approximately) as follows:—

Hair belting 8,00,000 feet of an average belt width of 4½ inches.

Cotton belting 2,50,000 feet of an average belt width of 3½ inches.

Total capacity production 10,50,000 feet per annum, average width 4½ inches.

3. Actual output for the last four years (April/March) is as follows :—

| | 1922-23. | 1923-24. | 1924-25 | 1925-26. |
|-----------------------------------|----------|----------|---------|---|
| | Feet. | Feet. | Feet. | Feet. |
| (i) Hair Belting | 327,233 | 597,477 | 312,676 | 297,977 |
| (ii) Cotton Belting | 93,035 | 190,633 | 181,474 | 138,607 |
| (iii) Jute and Cotton Belting . . | ... | ... | 39,067 | .. |
| (iv) Brake Lining | 2,536 | 3,920 | 2,745 | (discontinued). ... (discontinued). |

4 and 5. So far as we are aware, The Bengal Belting Works Ltd. (late The Eureka Belting Co., Secretaries of which were MacLawrie & Co.) is the only other concern in India engaged in the manufacture of hair and cotton belting and their output figures will be available to the Board.

6. List of our manufactures :—

Jute cloths and gunny bags.

Articles made-up from imported canvas and jute canvas.

Brake lining (not making at present).

Hair belting.

Cotton belting.

7 and 8. Cotton belting :—

(i) Cotton yarn (imported). We use a negligible quantity of local cotton yarn for certain belts made with anti-friction selvages.

(ii) Cold black proofing (imported).

(iii) Red oxide (India and imported).

(iv) Linseed oil (India).

(v) Terebine (India).

(vi) Cling surface impregnation (imported).

} used for treating belting
bef ore issue.

Hair belting :—

(i) Hair yarn (imported).

Cotton yarn (imported).

(ii) to (6) as above.

Canvas ply belting :—

Flax canvas (imported).

or

Cotton canvas (imported or locally made in Bombay).

Flax sewing twine (imported).

Red oxide for treating (India and imported).

In a 3½" width of Belting, our standard make works out as follows :—

Hair Belting :—

60/65 drams Hair Yarn.

45/50 drams Cotton Yarn.

About 1 oz. Cling Surface;

or

About 1·08 oz. Red Oxide, about 3·88 ozs. Linseed Oil and about 0·2 oz. Terebine;

or

About 3·4 ozs. Black Proofing.

Cotton Belting:—

65/70 drams Cotton Yarn.

Other items as above.

N.B.—The wider widths are made thicker and the above cannot be taken as a basis for working out yarn content of other widths.

9. The customary unit is one foot. The quantity of materials used in one foot depends entirely upon the width and thickness of the belting under manufacture. We make any width from $\frac{3}{4}$ " to 24".

As the information required under this paragraph might be used to our detriment by competitors, we request permission to withhold it. Should it be deemed essential to the enquiry, we would be pleased to furnish the required particulars confidentially on the understanding that the figures would not be made public. This refers to hair and cotton belting.

Canvas ply belting.—This is used principally as a conveyor belt and the demand is largely confined to the wider widths. We make this belting occasionally but we think it scarcely comes within the scope of the present enquiry. The conveyor belts are made by stitching together pieces of canvas. For this purpose we use imported flax canvas. A 12"×2 ply conveyor belt would be made by doubling over and stitching a "than" or bolt of 24" flax canvas. This class of work is done by our canvas department—not in our belting factory, and the demand is so limited that we consider an enquiry into this section of the belting trade would be a waste of the Board's time

10. (a) Actual production:—

1st April—31st March:—

1923-24—788,110 ft. of belting, average 3·43 inches wide, hair and cotton.

1924-25—494,150 ft. of belting, average 3·43 inches wide, hair and cotton.

1925-26—436,584 ft. of belting, average 3·43 inches wide, hair and cotton.

Actual consumption of yarn:—

1st April—31st March:—

| | Hair. lbs. | Cotton. lbs. |
|-------------------|---------------|-----------------|
| 1923-24 | 143,327 | 156,099 |
| 1924-25 | 70,839 | 141,736 |
| 1925-26 | 97,155 | 148,893 |

N.B.—The figures for production and consumption are not in proportion. This is due to the variety of sizes (and thicknesses) made. In one year we may make a large quantity of narrow-width belting, and in the following year a large quantity of the wider widths.

Consumption of—

| | 1923-24. | 1924-25. | 1925-26. |
|--------------------------------------|----------|----------|----------|
| Cold black proofing (lbs.) | 93,581 | | 65,843 |
| Red oxide (lbs.) | 16,960 | 19,534 | 2,126 |
| Linseed oil (galls.) | 1,800 | 600 | 1,265 |
| Terebine (galls.) | 20 | 10 | 15 |
| Cling surface (lbs.) | 6,900 | 6,110 | 7,076 |

(b) For the following figures we have taken as a basis an average year's working and apportioned the looms to various widths, keeping in view the average normal demand for each particular width:—

Estimated production of plant working full capacity* 10,50,000'×4½" average width.

Estimated consumption of materials:—

| | |
|-----------------------|--------------|
| Hair yarn | 230,000 lbs. |
| Cotton yarn | 350,000 „ |

Black proofing 282,000 lbs.

or

Red oxide 70,000 „

Linseed oil 10,800 galls.

Terebine 48 „

or

Cling surface 69,300 lbs.

11. Red oxide (India) . . . Rs. 28-0-0 per cwt.
 Linseed oil (India) . . . Rs. 2-14-0 per gallon. } Rates in 1926.
 Terebine (India) . . . Rs. 8-0-0 per gallon. }

12.—

| | Hair Yarn (per lb.) | | | Cotton Yarn (per lb.) | | |
|---------------------|---|--------------|-----------|--------------------------|--------------|-----------|
| | 1924. | 1925. | 1926. | 1924. | 1925. | 1926. |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| (a) C.I.F. Calcutta | 1 9 4.77 | 2 2 5.86 | 1 11 3.81 | 2 0 4.50 | 1 9 0 | 1 5 10.74 |
| (b) Toll & Landing | 0 0 0.19 | 0 0 0.19 | 0 0 0.19 | 0 0 0.19 | 0 0 0.19 | 0 0 0.19 |
| (c) Duty | 0 3 9.70 | 0 5 2.07 | 0 4 2.78 | 0 1 5.77 | 0 1 2.34 | 0 1 1.29 |
| (d) Transport | 0 0 0.74 | 0 0 0.74 | 0 0 0.74 | 0 0 0.74 | 0 0 0.74 | 0 0 0.74 |
| | Red Oxide (per lb.) | | | Black Proofing (per lb.) | | |
| | 1924. | 1925. | 1926. | 1924. | 1925. | 1926. |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| (a) C.I.F. Calcutta | 0 2 0.57 | | 0 1 7.46 | 0 4 1.61 | | 0 4 1.80 |
| (b) Toll & Landing | 0 0 0.04 | Same as 1924 | 0 0 0.04 | 0 0 0.10 | Same as 1924 | 0 0 0.14 |
| (c) Duty | 0 0 3.68 | | 0 0 3.16 | 0 0 7.56 | | 0 0 7.58 |
| (d) Transport | 0 0 0.74 | | 0 0 0.74 | 0 0 0.70 | | 0 0 0.70 |
| | Cling Surface, | | | | | |
| | 1924. | 1925. | 1926. | | | |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | | | |
| (a) C.I.F. Calcutta | 2 8 0 | 2 2 0 | 1 14 0 | | | |
| (b) Toll & Landing | per lb. delivered. This solution is imported by the local Agents from whom we purchase. | | | | | |
| (c) Duty | | | | | | |
| (d) Transport | | | | | | |

13. Total amount paid by us in customs duty on imported materials in the past three years (1st April—31st March):—

| | 1924. | 1925. | 1926. |
|---|----------------|----------------|----------------|
| | Rs. 50,233 | Rs. 36,717 | Rs. 33,740 |
| (i) | 8.45 per cent. | 9.76 per cent. | 9.21 per cent. |
| (ii) (a) Works costs | 7.32 „ „ | 7.48 „ „ | 6.94 „ „ |
| (b) Works costs, including office expenses and general charges. | 6.26 „ „ | 5.86 „ „ | 5.40 „ „ |

* This figure could be increased by 100,000 ft. as we have dismantled four looms owing to lack of work.

14. The camel hair and cotton yarns imported by us are used solely for the manufacture of belting. The qualities and twists we import would be useless for any other purpose.

15. It would be difficult to estimate the total annual demand for hair and cotton belting with any pretence to accuracy. We place the figure at anything between 20 to 30 lakhs feet—two-thirds hair belting and one-third cotton belting—and this figure could be increased as there is a considerable quantity of leather belting used in India which could be replaced by textile belting.

Canvas ply belting.—The demand is small and is probably not more than 5,000 feet per annum.

16. Jute Mills, Cotton Mills, Woollen Mills, Railway Workshops, Iron and Steel Factories, Tea Gardens, Oil Fields, Rice Mills, Ice Factories, Saw Mills.

There are very few drives for which hair and/or cotton belting is not suitable. Canvas ply belting (as already stated above) is used principally as a conveyor.

N.B.—Canvas ply belting should not be confused with *Balata* belting. This latter belt is imported, but is not made in India.

17. It would take us a long time to get out these figures and as our Agents do not inform us who their buyers are, it would be difficult to give an accurate statement.

Our total sales in the past three years (1st April—31st March) are as follows:—

| | | | |
|----------------|----------|----------|----------|
| | 1923-24. | 1924-25. | 1925-26. |
| Feet | 5,09,161 | 5,00,510 | 4 66,501 |

and our principal buyers are:—

| | |
|---|-----------|
| | Per cent. |
| Jute mills take approximately | 35 |
| Railways take approximately | 15 |
| Tea gardens take approximately | 15 |
| Cotton mills take approximately | 10 |
| Other industries take approximately | 25 |

18. We have exported cotton belting and hair belting to:—

South Africa (Beira, Cape Town, Durban, Port Elizabeth, Delagoa Bay),

Rangoon,

Buenos Aires,

Port Swettenham; and

Singapore.

We have also tried to introduce our manufacture into Australia but we find it impossible to compete with English manufactures. We were obliged to close down our South African Agencies for the same reason and all the stocks were returned to us here. Our Buenos Aires and Singapore Agents report that our prices are not in line with other brands of belting imported into their respective countries and we fear we will have to close down these Agencies also unless the handicap under which we are trading is removed.

19. If the present duties of 15 per cent. on hair yarn and 5 per cent. on cotton yarn are allowed to remain, a rebate when the finished article is exported would not materially assist the position unless such rebate covered the total amount paid by us as import duty in respect of the raw materials used in the manufacture of the quantity exported. If this facility were extended, we should be in a position to compete on almost level terms with English manufacturers, and other things being equal we are confident of our ability to establish a good export business.

20. *Works costs.*—The two forms have been prepared but we would prefer to submit these confidentially for reasons already stated.

21. We were obliged to close down 24 looms in May 1924 and the remaining 18 looms worked only four days per week, as we found we were over-producing. This curtailment of output naturally increased our working cost in respect of all items of expenditure which remain unaffected by the "short time," *e.g.*, office and general charges, and labour. (Belting weavers take some considerable time to train up to proficiency and we have not dismissed any of the staff.)

In the years under review, had we been working to full capacity the approximate saving under the above headings would have been:—

| | 1923-24. | 1924-25. | 1925-26. |
|----------|----------|---------------|---------------|
| Per foot | 8 pies. | 2 as. 5 pies. | 3 as. 9 pies. |

There would also be a saving on the item "Power and Fuel."

22. Our keenest competitors are British manufacturers who are represented by Agents in this country.

23. (i) We have no means of ascertaining the rates at which British-made belting is invoiced to our competitors. A similar quality of belting to our own make was sold in India in the year 1924-25 at the following rates:—

| | Cotton belting. | Hair belting. |
|-----|-----------------|---------------|
| | Rs. A. P. | Rs. A. P. |
| 2½" | Not known | 0 11 0 |
| 3" | " " | 0 14 6 |
| 3½" | 0 15 9 | 1 1 6 |
| 4" | 1 1 6 | 1 2 9 |
| 4½" | Not known | 1 5 9 |
| 6" | " " | 1 15 9 |

(ii) Rates at which we supplied in 1924-25:—

| | Cotton belting. | Hair belting. |
|-----|-----------------|---------------|
| | Rs. A. P. | Rs. A. P. |
| 2½" | 0 11 6 | 0 11 9 |
| 3" | 0 14 9 | 0 15 6 |
| 3½" | 1 1 0 | 1 2 6 |
| 4" | 1 2 6 | 1 4 0 |
| 4½" | 1 7 9 | 1 10 0 |
| 6" | 2 1 0 | 2 4 6 |

24. The Collector of Custom's records may furnish this information.

25. Our forms privately-owned.

26. A difficulty arises here as our Canvas Department and Belting Department are under one management and one Balance Sheet covers the whole working—the two accounts are not separated. However, if it is considered necessary to the enquiry, we will submit confidentially six copies of the Balance Sheet for each of the last three years.

27. (a) Yes.

(b) Yes.

(c) No.

28. (a) Yes.

(b) Yes.

29. We consider the industry to be of importance on national grounds if only for the reason that employment of Indian labour is entitled.

SUPPLEMENTARY STATEMENTS.

(7) *Letter dated the 27th April 1927.*

We now have the honour to hand you herewith the further particulars asked for by the President of the Tariff Board at the oral examination of Mr. T. A. Kay.

A query was raised as to the number of hands employed at our belting factory. The figure to-day stands at 103.



सत्यमेव जयते

Actual production of Belting and consumption Yarns.

| Year. | HAIR BELTING. | | | | COTTON BELTING. | | | |
|--------------------|------------------------------|--------------------------------|----------------------------------|-----------------------------------|-----------------|------------------------------|----------------------------------|---|
| | Production of Belting. Feet. | Consumption of Hair Yarn. lbs. | Consumption of Cotton Yarn. lbs. | Consumption of Yarn for 100 feet. | | Production of Belting. Feet. | Consumption of Cotton Yarn. lbs. | Consumption of Cotton Yarn per 100 feet. lbs. |
| | | | | Hair. lbs. | Cotton. lbs. | | | |
| 1923-24 | 597,477 | 143,327 | 105,839 | 23.83 | 17.58 | 190,833 | 50,260 | 26.17 |
| 1924-25* | 312,676 | 70,839 | 58,016 | 22.27 | 18.36 | 181,474 | 47,842 | 26.17 |
| 1925-26 | 297,977 | 97,155 | 112,346 | 32.42 | 37.70 | 138,607 | 36,547 | 26.17 |
| 1926-27 | 264,673 | 67,904 | 76,156 | 25.78 | 28.91 | 106,504 | 27,874 | 25.78 |

* In the year 1924-25 we made another Belt of Jute and Cotton Yarn the figures for which are as follows:—

| | |
|--------------------------------------|--------------|
| Production | 39,067 feet. |
| Consumption of Cotton Yarn | 35,878 lbs. |
| Do. per 100 feet | 19.53 lbs. |

Sales of Belting—

| | Hair. | Cotton. | TOTAL. |
|-------------------|---------|-----------|---------------|
| 1924-25 | 353,970 | 136,622 = | 490,592 feet. |
| 1925-26 | 287,947 | 144,436 = | 432,383 " |
| 1926-27 | 291,295 | 113,982 = | 405,277 " |

10 (b).

| | Hair Belting. | Cotton Belting. |
|---|--|-------------------------|
| | Feet. Avge. width. | Feet. Avge. width. |
| Estimated output of plant working full capacity | 800,000 × 4½" | 250,000 × 3½" |
| Estimated consumption of Yarn on above figures. | { Hair *280,000 lbs. Cotton *280,000 lbs. | ... 70,000 lbs. |
| Consumption of Yarn per 100 feet | { Hair *28·75 lbs. Cotton *35 lbs. | ... 28 lbs. |

* We have estimated these figures on a higher basis than the average of the past 4 years, as we are producing a larger proportion of the wider widths of Hair Belting than formerly (*vide* figures for 1925-26, 1926-27). In the wider sizes of Pile Surface Hair Belting the Cotton Yarn content exceeds the Hair Yarn content, the proportions being:—

| | | Hair Yarn. | Cotton Yarn. |
|--|-----------|--------------|--------------|
| Standard is Plain Surface | { 2" | 50 per cent. | 50 per cent. |
| | { 3½" | 57 " | 43 " |
| | { 4" | 52 " | 45 " |
| | { 6" × ⅜" | 41 " | 59 " |
| Standard is "Pile" or "Cushion" Surface. | { 6" × ⅜" | 38 " | 62 " |
| | { 7" | 40 " | 60 " |
| | { 8" | 43 " | 57 " |
| | { 9" | 44 " | 56 " |
| | { 10" | 45 " | 55 " |
| | { 11" | 44 " | 56 " |
| | { 12" | 46 " | 54 " |

28 (i) and (ii).

To-day's selling rates of Belting (1st May 1927).

| | HAIR BELTING. | | COTTON BELTING. | |
|----------------------|---------------------|------------|---------------------|------------|
| | Competitors' rates. | Our rates. | Competitors' rates. | Our rates. |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| 1 inch | ... | 0 5 9 | 0 2 9 | 0 6 3 |
| 1½ inches | 0 5 0 | 0 8 3½ | ... | ... |
| 2 " | 0 6 3 | 0 10 6 | ... | ... |
| 2½ " | ... | ... | 0 6 9 | 0 13 6 |
| 3 " | 0 8 3 | 1 0 10 | 0 8 3 | 0 15 9 |
| 3 " Dynamo | { 0 12 0 | { 1 0 0 | 0 8 3 | Not made. |
| | { 1 1 0 | | | |

| | HAIR BELTING. | | COTTON BELTING. | |
|----------------------|---------------------|------------|---------------------|------------|
| | Competitors' rates. | Our rates. | Competitors' rates. | Our rates. |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| 3½ inches | ... | ... | 0 9 6 | 1 4 0 |
| 4 „ | 0 13 0 | 1 8 10 | ... | ... |
| 4 „ Dynamo | ... | 1 10 0 | 0 10 9 | Not made. |
| 4½ inches | 0 14 3 | 1 10 10 | ... | ... |
| 5 „ | 1 0 0 | 1 14 3 | ... | ... |
| 6 „ | ... | 2 6 6 | 1 1 6 | 2 6 9 |
| 7 „ | 1 6 6 | 3 2 6 | ... | ... |
| 8 „ | 1 11 6 | 4 0 10 | ... | ... |
| 9 „ | ... | ... | 1 14 6 | 4 4 0 |
| 10 „ | ... | ... | 2 6 0 | 4 12 0 |
| 12 „ | ... | 7 4 6 | 2 14 0 | 6 4 0 |

N.B.—Competitors' rates are taken from the *Indian Trade Journal* and represent the N. W. Railway's contract rates, 1927-28.

FORM I—WORKS COST.

Total expenditure on all Belting manufactured in certain years.

| | 1923-24. | 1924-25. | 1925-26. |
|--|-----------------|-----------------|-----------------|
| | Rs. | Rs. | Rs. |
| 1. Indian raw materials | 36,213 | 63,624 | 67,082 |
| 2. Imported raw materials without duty | 5,44,298 | 3,41,562 | 3,32,483 |
| 3. Customs duty on imported materials | 50,233 | 36,717 | 33,740 |
| 4. Other expenditure | 1,71,807 | 1,84,521 | 1,92,293 |
| Total | 8,02,581 | 6,26,424 | 6,25,598 |

| | 1923-24. | 1924-25. | 1925-26. |
|-----------------------------------|----------------|----------------|----------------|
| | Feet. | Feet. | Feet. |
| Total Production— | | | |
| Hair Belting | 597,477 | 312,676 | 297,977 |
| Cotton Belting | 190,633 | 181,474 | 138,607 |
| Jute and Cotton Belting | Nil | 39,067 | Discontinued. |
| Brake Lining | 3,920 | 2,745 | „ |
| TOTAL . | 792,030 | 535,962 | 436,584 |

FORM II—WORKS COSTS.

Showing Works cost per one foot of the average width of Belting (all varieties) manufactured in certain years.

| | 1923-24. | 1924-25. | 1925-26. |
|--|----------------------------|----------------------------|----------------------------|
| | Avg. width 3'43 inches. | Avg. width 3'63 inches. | Avg. width 4'24 inches. |
| | As. P. | As. P. | As. P. |
| 1. Indian raw materials | 0 8-79 | 1 10-79 | 2 5-50 |
| 2. Imported raw materials (without duty). | 10 11-94 | 10 2-36 | 12 2-22 |
| 3. Customs duty on im- ported materials. | 1 0-18 | 1 1-15 | 1 2-84 |
| 4. Other expenditure | 3 5-65 | 5 6-10 | 6 11-89 |
| | 16 2-56 | 18 8-40 | 22 10-45 |
| Less Oiling Surface recovered | 4-18 | 4-11 | 5-84 |
| | 15 10-38 | 18 4-29 | 22 10-45 |
| Less Yarn Waste sold | 27 | 40 | 75 |
| NET TOTAL | Re. 0 15 10-11 | Re. 1 2 3-89 | Re. 1 6 3-86 |

MESSRS. BIRKMYRE BROTHERS, LIMITED.

B.—ORAL.

Evidence of Mr. T. A. KAY, recorded at Calcutta on Monday, the 25th April, 1927.

Introductory.

President.—What is your exact position in Messrs. Birkmyre Bros.

Mr. Kay.—I am the Manager. Canvas and Belting Department.

President.—Are you authorised to give evidence on behalf of Birkmyres?

Mr. Kay.—Yes.

Manufacturing Process.

President.—Before we consider your application and your replies to the questionnaire, would you mind giving us a general description of the process adopted in making the three kinds of belting viz., hair belting, cotton belting, and canvas ply belting?

Mr. Kay.—Hair belting and cotton belting are the only ones that we are making in our Belting Factory. The canvas ply, as I pointed out in my reply, is a small business, the demand being not more than 5,000 feet per annum. Such orders as we get are made in our Canvas Department.

President.—We have had one application for canvas ply from Messrs. Tyabji and Company and we would like to have as much information as you can give.

Dr. Matthai.—You make your canvas ply belting in your Canvas Department and not in your belting factory.

Mr. Kay.—That is so.

President.—Could you give us a description of the process adopted in your factory?

Mr. Kay.—The yarn is imported from home. We have experimented with local cotton yarn but we found that it was unsatisfactory and it was discontinued. The only purpose for which we now use local yarn is anti-friction selvages and also the "pile" in pile-surface belting; otherwise we use only imported yarn. The yarn comes out in hanks, and is wound on to bobbins, beamed, and put on to the looms. (Hair belting is composed of both cotton yarn and hair yarn. It cannot be made entirely from hair yarn. The cotton yarn is introduced to strengthen it, to give it "backbone.") Thereafter the manufacture of the belt is very similar to the manufacture of cotton piece goods, Hessian cloth, etc., except that there are more "plies" in textile belting.

Dr. Matthai.—Is it rather like a woollen mill.

Mr. Kay.—I have not been through a woollen mill. Instead of being a single ply as in the case of hessian or cotton piece goods, a belting loom works up to three, four or even 5 plies.

President.—Is the cloth woven and then doubled over into plies?

Mr. Kay.—No. It is "through woven" in the manufacture.

President.—After the belting is manufactured, what further treatment is it subjected to?

Mr. Kay.—Thereafter it is painted or treated. Some consumers like black belting. In that case, it is put into the black proofing tank. The black proofing also is imported from home. The whole belt is thrown into the tank containing the black proofing and is left to soak there for 24 to 46 hours. Then it is taken out and slung over roof-beams to dry.

Dr. Matthai.—Proofing is just the colouring of it.

Mr. Kay.—Yes. It also tends to knit the belt together.

President.—Is that the process in which you use linseed oil?

Mr. Kay.—No, Linseed oil is used in the red oxide treatment for red belting. It is mixed with red oxide which we used to buy locally. But we have found it cheaper to import from home. It comes out in the form of a solution and not in the form of powder and the linseed oil is used as one of the mixing components.

President.—In the black proofing what oil is used?

Mr. Kay.—We put it in the tank just as it is received.

President.—What is it composed of?

Mr. Kay.—I could not say. I suppose it has a pitch basis. I know that it is used very extensively by people at home.

President.—Do you import that ready made?

Mr. Kay.—Yes.

Dr. Matthai.—If you want a red belting, is it first put into the black proofing and then subjected to the red oxide treatment?

Mr. Kay.—It is not necessary to put it into the black proofing.

Dr. Matthai.—That is an alternative process.

Mr. Kay.—Yes. Then we have a third process which is cling surface. That again is not mixed with anything at all. The agents for cling surface are in Calcutta and our arrangement with them is that we supply cling surface belts only against their orders. They call their belting under another name; it is not known as Hastings belting, although we manufacture and supply them with it. They are the sole agents for cling surface. We buy it from them and put it on to their belting. We do not sell cling surfaced belts to outside customers.

Dr. Matthai.—There are really two markets for your products, are not there? You put your Hastings belting on the market.

Mr. Kay.—Yes, that is what we sell as ours.

Dr. Matthai.—And the other Samson belting, although you make it, you sell only through your agents.

Mr. Kay.—Yes.

Dr. Matthai.—In the Calcutta market you have got both Hastings belting and Samson belting, both locally made and sold?

Mr. Kay.—Yes.

Dr. Matthai.—What exactly is the purpose of terebine?

Mr. Kay.—That also goes into the red oxide solution. Terebine, red oxide and linseed oil are the components.

The firm's application.

President.—The Board is not quite clear as to the exact nature of the claim which you have put forward in regard to belting. In your letter of the 4th of November, 1924, you state "We are not asking for protection—all we request is that legislation be passed that will remove the handicap under which we are labouring. We submit that sellers of imported belting are favoured unduly by the present tariff and we are unable to sell in competition with imported belting except at a dead loss". From that sentence we should gather that what you ask for is to be put on a position of absolute equality.

Mr. Kay.—Certainly, we are not asking for anything more.

President.—You don't want any substantive protection.

Mr. Kay.—No. The questionnaire being essentially a protection questionnaire, we had to reply accordingly, and that is a point that we wanted to explain. I was afraid that if we did not ask for protection, it would not come under your jurisdiction.

President.—In your letter, dated the 12th February, 1926, you state that you have read the report on the Printer's Ink Industry and you say "If there is any possibility of this case being considered as parallel to our own representation in connection with belting and belting yarn we would respectfully represent to the Board that an increase in duty from 2½ per cent. to 5 per cent. on imported belting would be of no material assistance to the indigenous industry". Whatever recommendations we may make will have to be justified by the figures. Our recommendations depend on what the duties on imported raw materials are and what the amount of duty on belting comes to. Our recommendations must be based on figures. It seems to me, that what you are suggesting is that we should go really beyond what the figures would justify. In the Printer's Ink Report what the Board did was to place the manufacture of Printer's Ink in this country in exactly the same position as the manufactures of imported ink, that is to say the contribution which each side pays to the revenue of the country is the same on the same article.

Mr. Kay.—That is what we desire for the Belting Industry.

President.—There is no implication that you require anything further.

Mr. Kay.—No, but we doubt whether an increase in duty from 2½ per cent. to 5 per cent. would be sufficient in our case.

President.—That is a matter which we should have to consider when we have all the figures before us.

Mr. Kay.—Yes.

President.—Your first application was dated 12th July, 1923.

Mr. Kay.—Yes, the first of the present series of letters was dated 12th July, 1923. But as a matter of fact we started applying before I was in the Department myself. I was told that it was started in 1911. That I believe was the first time we took this matter up with Government and it has been going on ever since intermittently.

President.—I don't think that we need go further back than 1923. In this representation of 12th July 1923, you state your position fairly clearly but since then the position has altered considerably.

Mr. Kay.—The excise has gone.

President.—The excise on belting and listing has gone but the duty on cotton yarn remains.

Mr. Kay.—Yes.

President.—At what?

Mr. Kay.—At 5 per cent. on this and 15 per cent. on hair yarn.

President.—And on canvas ply?

Mr. Kay.—15 per cent. In the case of canvas ply we have to import flax canvas which pays a duty of 15 per cent. If it was made of cotton canvas, then the duty would be 11 per cent. We have not made any out of cotton canvas for the last two years. We now make it entirely from flax canvas.

President.—In regard to flax canvas you are not pressing your case.

Mr. Kay.—The business in canvas ply belting is so small that it is not worth worrying about.

Dr. Matthai.—You don't press it at all.

Mr. Kay.—No.

Cost figures.

President.—In your reply to the questionnaire, you have asked certain information to be kept confidential.

Mr. Kay.—Yes.

President.—Have you read the Printer's Ink Report?

Mr. Kay.—I have not read the full report. I have only read the newspaper extract.

President.—In the Printer's Ink Report, all this information which you require to be kept confidential was produced before us by the applicants in

that case. In fact, the information which you wish to be kept confidential is exactly the kind of information which we must have before making any recommendations.

Mr. Kay.—I am quite prepared to put that before you. I have got the information typed out ready here but I would very much prefer to have the papers kept confidential if the Board would agree to that. My reason is this. I know of at least one Belting Manufacturing Firm at Home actually considering the question of opening up a factory in India. If this firm got all my figures, it would be of great advantage to them in the first instance.

President.—Before I go further the first thing I should like to explain to you is exactly what figures we want and you can say how far the disclosure of those figures would affect you. We must have the amounts of materials you use in the manufacture of a given unit of bolting. We want this information separately both for hair belting and cotton belting. Then, we must have the customs duty paid. We must have information to enable us to check those figures. That is the minimum that we must have and if you cannot give us that, we should be unable to write our report.

Mr. Kay.—I am perfectly willing to give you all the information that you have mentioned. The only point that I have to make is to ask you to keep it confidential.

President.—We have to report to the Government of India and the figures would have to be disclosed to them.

Mr. Kay.—I don't object to that.

President.—Supposing the Government of India are pressed in the Legislative Assembly to give their reasons for the reduction of this duty, what are they to do, if the information is confidential?

Mr. Kay.—It seems to me such an obvious case of a wrong which ought to be righted; and there is scarcely any likelihood of Government being pressed for reasons.

President.—You are an applicant firm and you state that the wrong has to be righted. You have to show that there is a wrong and you have to justify your case.

Mr. Kay.—We never anticipated that this case would go so far as the Tariff Board. I have been to Simla two or three times and tried to get the head of the Department there to take action. But we are fighting a lone hand. We are practically the only manufacturers in India. All the Government Officials I have approached are agreed that we have an obvious case. The Government of India have announced that they are going to assist Indian industries as much as possible and here is a case of one that is severely handicapped.

Dr. Matthai.—Even assuming that there is an obvious case for relief, we have to consider what particular relief is required.

Mr. Kay.—Yes. I will give you the figures with pleasure. But I don't think that the question is likely to be raised in the Legislative Assembly when it is such an obvious case.

President.—We can take no chance. Otherwise our report may be valueless. In any case your figures will not be published for probably six months and after all the figures which relate to the past three years would be of no particular value to your competitors.

Mr. Kay.—They will always be.

President.—The minimum information which I have said would be necessary for our purpose may be shown in Form I attached to the questionnaire. Since you are not applying for substantive protection but only tariff equality, we should have no objection to the other items being lumped together—not separated at all. I don't think that would give your competitors any particular advantage. What they really want to know is what proportion of labour and other expenses you have incurred. Put down a lump figure for labour, other expenditure and power and fuel.

Mr. Kay.—I agree to that.

President.—Excluding overhead charges of course. This would apply both to Form I and Form II. You can give 1, 2 and 3 separately and then all the rest lumped together. Subject to that alteration we should like to have your answers to questions 9 and 12. No. 9 is the quantity of raw material used.

Mr. Kay.—We have no difficulty at all about No. 9 because it will be just the same as for other people as you say. Our difficulty is that as the widths get larger the quantity gets bigger and also we make various thicknesses and widths.

Dr. Matthai.—Your typical product is $3\frac{1}{2}$ "?

Mr. Kay.—3.42 is a fair average.

President.—Of the imported beltings what is the average size?

Mr. Kay.—I have no means of getting that information at all but I think it will be the same as ours. We make according to the market demand and other people must be importing on the same basis.

Dr. Matthai.—So that $3\frac{1}{2}$ " will be typical of the main demand in India?

Mr. Kay.—I think so.

Dr. Matthai.—That would apply both to hair belting and cotton belting?

Mr. Kay.—Yes.

Dr. Matthai.—What is a dram in terms of lbs? In one statement you give so many drams of hair yarn while in the other statement you say hair yarn per lb. Can you tell me how much the drams would be in terms of lbs.?

Mr. Kay.—256 drams to the lb.

President.—In your reply to question 10 (a) you do not distinguish between raw materials used in the manufacture of hair and cotton belting. You give your rates of production of all belting.

Mr. Kay.—The actual production is 7,88,110 feet; the actual consumption of yarn 1,43,000 lbs. hair and 1,56,099 cotton.

President.—As regards the total production of belting 7,88,110 feet, that can be resolved into different kinds of belting from your answer to question 3; the information is there. But as regards the question how much cotton was used in the cotton belting and how much hair used in the hair belting there is no information. Could you give us these figures and give us a revised answer to this question?

Mr. Kay.—Yes.

President.—At the same time before your next examination you might send in revised figures.

Mr. Kay.—You want the actual consumption of yarn for 1923?

President.—For each year the actual consumption of yarn in each kind of belting.

Dr. Matthai.—Perhaps you might give us the information on these lines: you take 100 feet hair belting $3\frac{1}{2}$ " width, quantity of hair yarn and cotton yarn in it which is required for the manufacture of 100 ft. instead of one foot of belting.

Mr. Kay.—Do you want me to substitute that answer for the actual consumption figures?

Dr. Matthai.—You might add a note after that.

President.—As regards 10 (b), estimated consumption, could you give us separate figures for each in that too?

Mr. Kay.—Yes, it would be an estimate of course.

President.—The point in regard to that is that we are not quite sure whether if you were working to full capacity your consumption of raw materials would be more or less than if you were working to half capacity; and I am not quite sure whether your list of raw materials is exhaustive. What about lubricating oil for your machinery?

Mr. Kay.—I put that in in my works costs. If I were to include it I ought also to include repairs to the machinery. As a matter of fact the question does not arise because lubricating oil is bought locally.

President.—Can you tell us the duty on each of these raw materials? What is the duty on black proofing?

Mr. Kay.—15 per cent.

President.—Red oxide?

Mr. Kay.—15 per cent.

President.—Linseed oil?

Mr. Kay.—We buy that locally.

President.—But your local price is determined by the price of imports?

Mr. Kay.—We do not know what the Home quotations are as regards linseed oil. We have a contract with a Firm out here who supply us with what we require.

President.—There is one point in regard to your application: you are pressing for a reduction of duty on cotton yarn and hair yarn, isn't that so?

Mr. Kay.—Yes.

President.—As regards other raw materials what I understood from your application is that you are not pressing for any change?

Mr. Kay.—All that I ask is that we should be placed on an equal basis with the importers. It does not matter to us whether the relief is granted entirely in respect of yarn or on other materials as well, so long as the result places us on an equal footing.

President.—We might take that point later but probably the duty that you would pay on black proofing, linseed oil, red oxide and so on, will be a very small amount?

Mr. Kay.—It is a small amount compared with the duty paid on yarn.

Import Prices.

President.—I think you said $3\frac{1}{2}$ " belting may be taken as a fair average size?

Mr. Kay.—Yes.

President.—Is that both for hair belting and cotton belting?

Mr. Kay.—I have given the production in reply to question 2 as being 8 lakhs of feet of $4\frac{1}{2}$ " width as the average hair belting. I place the average at this higher figure because in the hair belting there is quite a lot of wider width belting manufactured, 10", 12" and so on; as regards cotton belting I have taken $3\frac{1}{2}$ " as the average.

Dr. Matthai.—Supposing in trying to assess the amount of relief that you require we proceed on this basis, what precisely is the additional burden that you have to bear in respect of $3\frac{1}{2}$ " hair belting and $3\frac{1}{2}$ " cotton belting as compared with the foreign import of the same width? If we estimated on that basis do you think we would be far out? Is it a fair way of estimating the inequality? It is very difficult to go into the figures with regard to every kind of width, so we take hair belting and cotton belting $3\frac{1}{2}$ " width and estimate what duty you pay on imported materials and see what is the duty on belting of that size and then arrive at some figures as to the inequality. Would that be correct?

Mr. Kay.—I should think that would be right; take $3\frac{1}{2}$ " all round.

President.—You say you have no means of ascertaining the British prices of imported belting?

Mr. Kay.—I can only get the price at which they sell.

President.—You have given here rates at which similar quality of belting were sold in India. Is that the retailers price?

President.—In order to work back to the c.i.f. price, we should have to eliminate profit.

Mr. Kay.—Yes.

President.—Could you give us any idea as to what that is?

Mr. Kay.—I could not say. This is a very finely cut business. It won't be very big.

Dr. Matthai.—You are speaking of Trade Journal quotations. Are they actual selling prices?

Mr. Kay.—They are actual prices. *The Indian Trade Journal* publish weekly the contracts placed by the Controller (Engineering) during the previous week, and against each item the rates are stated. As a matter of fact I took these figures from the *Indian Trade Journal*.

President.—Our difficulty in regard to the import price is this. I don't think the Customs Authorities would really be of very much assistance to us as regards cotton belting, because cotton belting and cotton canvas ply belting are all lumped together.

Mr. Kay.—I think, as far as the Customs are concerned, they all come under the same head and pay $2\frac{1}{2}$ per cent. duty because belting comes out as a component part of machinery.

President.—That is quite correct. My point is this. So far as the actual returns are concerned, they don't distinguish between cotton canvas ply belting and cotton belting and therefore all the returns are lumped together. We may be able to get invoices from the Customs for different kinds, but actually in the Customs returns they are lumped together. We cannot arrive at any conclusion as regards import prices actually from the Trade Returns.

Dr. Matthai.—Can you suggest any way out of the difficulty? We have decided to take $3\frac{1}{2}$ " as the typical width that you make and we want to get the c.i.f. imported price of hair belting and cotton belting of $3\frac{1}{2}$ " width, because if we want to know what precisely is the burden which falls on the foreign import, we have to estimate $2\frac{1}{2}$ per cent. on that price. Until we get that price we cannot say what duty is paid. Can you suggest any way out of that.

Mr. Kay.—Could not the Customs help you there?

President.—We will examine the Collector of Customs on that point.

Mr. Kay.—That is the surest way of getting the information. I have no access to these figures.

President.—Have you any information as to the discount allowed to the importers or to wholesalers?

Mr. Kay.—No.

President.—We were given to understand in Burma that on cotton canvas ply belting and cotton belting the discount amounted to as much as 60 per cent.

Mr. Kay.—I can explain that. Belting manufacturers at home make out a price list which remains in force over a number of years and the only way they alter those prices is by altering the discount. They will say "instead of giving you 35 per cent. discount as heretofore, you will now only get 30 per cent." That is the way they regulate their prices.

Dr. Matthai.—What was the object?

Mr. Kay.—It obviates making out fresh price lists. They send their telegram out saying (for example) that from the first of the month discount will be reduced to so much or advanced to so much. It saves a lot of trouble in the office getting out a fresh price list and so forth.

President.—Could you give us any idea of the price of canvas ply belting $9" \times 8$ ply?

Mr. Kay.—You are not referring to "Balata" belting?

President.—No. It is ordinary stitched belting.

Mr. Kay.—Do you want the imported price?

President.—Yes.

Mr. Kay.—I am afraid I couldn't give that.

President.—You could offer us an opinion as to the reasonableness of the price. If this particular type of belting was scheduled by a German manufacturer at 9s. a foot without commission or discount, would a price of somewhere about Rs. 1-14-0 quoted out here be a reasonable figure or would it be unreasonable? Would the commission reduce the price to that amount?

Mr. Kay.—I am afraid I could not say. I have no idea as to what their discount rates are. If one supplier invoices at 9s. and another at 8s. and both belts are selling at the same rate here, one manufacturer presumably would be allowing more discount on his list rates than the other, and thus both articles arrive on the market at the same price.

President.—Their prices might differ.

Mr. Kay.—Yes.

President.—On this question of the import price you cannot offer us much useful information.

Mr. Kay.—I cannot give any at all, but certainly the Customs should be in a position to supply the information.

Dr. Matthai.—Who are the principal importers of Hair belting and Cotton belting?

Mr. Kay.—Hair belting I should say:

Messrs. Roberts Mclean and Co.

„ Balmer Lawrie and Company.

„ Jessop and Company

„ Gilanders Arbuthnot and Company.

„ Lewis & Tylor.

President.—They would be able to tell us.

Mr. Kay.—Yes, Lewis and Tylor are manufacturers and have opened an office out here.

Prices realized by the Company.

President.—You have given the rates at which you supplied the belting in 1924-25.

Mr. Kay.—Yes.

President.—Could you bring those rates up to date?

Mr. Kay.—Yes. The result of this will not be of great assistance, because as you will see from the figures of my earlier replies, about three years ago we started manufacturing rather heavily, with the idea of reducing overhead costs to a minimum. The result was not a success and the policy was abandoned. Our production has been curtailed and our prices had to be advanced to meet the difference in manufacturing cost so that our rates to-day will be higher than those shown for 1924-25.

President.—Your prices will be higher, but will they be higher than the imported prices?

Mr. Kay.—Yes. I have seen the rates accepted for the North Western Railway contract. This year they have given out orders for 82,000 ft. We used to get the entire Belting contract from this Railway every year. Since we advanced our rates we have received a smaller proportion of the contract each year and this year we have not been allotted any portion at all. The same thing has happened with the Bengal North Western Railway. We lost two big annual contracts simply owing to our having been obliged to put up our selling rates to shew us a reasonable return.

Dr. Matthai.—Even on these figures 1924-25 your prices are slightly higher than import prices.

Mr. Kay.—Yes.

Dr. Matthai.—If you do get orders, I suppose it is a question of urgent orders.

Mr. Kay.—Having been established here for a number of years, we have certain business connections and these Firms send us their orders.

President.—These rates that you quote, here, are they nett or do they include any commission?

Mr. Kay.—Those are nett rates.

Dr. Matthai.—Any kind of urgent replacement in any of the mills in Bengal, they must necessarily get that from you.

Mr. Kay.—Not necessarily, because all Importing Houses carry stocks.

Materials.

President.—I think you have stated somewhere in your replies that the hair and cotton yarns are used only for the manufacture of belting.

Mr. Kay.—They could not be used (as far as I know) for any other purpose.

President.—Supposing we reduce the duty on imported counts, would there be any possibility of those counts being used in other things?

Mr. Kay.—I can think of no possibility so far as we are concerned. We are always prepared to allow the Customs to send an Officer to our Factory to see what use we are making of the yarns as they did during the cotton excise period. A Customs Officer visited the Factory periodically to examine our books and see whether our figures were correct and so forth.

President.—If your statement is correct to the best of your knowledge may we take it as absolutely correct?

Mr. Kay.—Yes.

President.—When we examine the Customs Department, we shall enquire whether all these counts of hair yarn which were imported were consigned to you, is that correct?

Mr. Kay.—With the exception of the Bengal Belting Works.

President.—They are not working.

Mr. Kay.—I don't think they are working now. They were originally the Eureka Belting Company. I think they were working in 1923. I believe they have closed down twice and they have been taken over by another firm.

Dr. Matthai.—When they closed down they were Eureka Belting Company? Now they call themselves the Bengal Belting Company.

Mr. Kay.—Yes. On my way up to our factory recently I noticed their signboard. It was "Bengal Belting Works" and Messrs. McLawrie and Company's notice has disappeared.

Dr. Matthai.—If your statement is correct, we shall at present at any rate find all these particular counts consigned to you.

Mr. Kay.—Certainly.

Dr. Matthai.—What is the precise trade description of your yarns that you get for hair belting and cotton belting? Do you remember a letter of yours dated 29th May, 1924 that you sent to the Commerce Department? Somewhere about the end of that letter you give some descriptions of hair yarn and cotton yarn—3-ply 5s. and 4-ply 5s.

Mr. Kay.—That is the hair yarn.

Dr. Matthai.—Is that how they would be described for trade purposes?

Mr. Kay.—Last year we also imported 3-ply 5½s. and 4-ply 5½s.

Dr. Matthai.—Could you send us a statement giving the prices and trade descriptions of the yarns?

Mr. Kay.—The yarns come in as textile belting yarns. They are known thus by the Customs.

Dr. Matthai.—That is what we want.

Mr. Kay.—Belting yarn or hair yarn for textile belting, or grey cotton belting yarn.

Dr. Matthai.—I should like to have a precise description of that.

Mr. Kay.—Instead of "Egyptian" it should be "American".

Dr. Matthai.—All your yarn is imported from America.

Mr. Kay.—The cotton yarn that we use is American yarn. It is spun to the plies we order by our Lanark Mills.

Mr. Kay.—It is sent to us by our Home Firm from Lanark (Scotland).

Dr. Matthai.—Any way the cotton yarn is American.

Other purposes for which the raw materials could be used.

President.—As regards canvas, have you any knowledge as to the use it is put to? Is that also used only for belting?

Mr. Kay.—Not by any manner of means. Unproofed Flax and Cotton Canvas is imported for making articles for the requirements of the Ordnance Department, Railways, Postal Department, etc., etc. For conveyer belting I consider canvas ply belting suitable, but canvas is used principally for the purposes cited above. A negligible yardage is used for making ply belts.

President.—We had evidence in Burma that a particular type of canvas they use there in the manufacture of cotton ply belting could not be used for any other purpose, because it is too heavy. That is not correct.

Mr. Kay.—It is most unlikely that any canvas cannot be used for more purposes than the manufacture of ply belting.

Dr. Matthai.—For manufacturing conveyer belts, you would require a canvas of a particular width and the canvas of that width would not be used for anything else, is that a correct statement?

Mr. Kay.—Not at all. These conveyer belts vary in width. I gave an instance in my replies to the questionnaire that a 12" x 2 ply conveyer belt would be made by doubling over and stitching a "than" or bolt of 24" canvas. In the case of 10" x 2 ply this could still be made from 24" canvas, but there would be a certain amount of wastage. The width of the canvas doesn't matter at all.

Dr. Matthai.—Canvas up to 24" is supplied in India and over that is usually imported.

Mr. Kay.—We import all our canvas from 24" right up to 72". We buy very little canvas here, except jute canvas which is much cheaper here than at Home.

Dr. Matthai.—This is used for awnings and the width would not matter at all.

Mr. Kay.—It doesn't matter at all.

Dr. Matthai.—It can be cut up and used.

Mr. Kay.—Yes, that is the main business of our Canvas Department, cutting up the canvas and making it into various articles.

President.—As regards your other raw materials you specify here black proofing, linseed oil, red oxide, etc. These of course could be used for other purposes.

Mr. Kay.—Yes.

President.—Linseed oil could be used for other purposes.

Mr. Kay.—Yes.

President.—And terebine?

Mr. Kay.—I do not know what other uses terebine is put to. It is not specially made for belting treatment. It takes about 10 to 12 days for a belt to dry after it is taken out of the proofing tank. By the time it is dried, it is quite hard.

President.—So far as you are aware, black proofing is not used for anything else.

Mr. Kay.—No, it is a particular mixture evolved for belting.

President.—Is red oxide used for any other purpose?

Mr. Kay.—Yes.

President.—What about terebine?

Mr. Kay.—It will be used for other things, I think. We use only a very small quantity of terebine.

Methods of granting relief to the industry.

President.—Suppose for the sake of argument we found that your case was good and we recommended a reduction of the duty on hair yarn, cotton yarn and black proofing, leaving out of account the minor items such as red oxide, linseed oil, etc., would that be substantially fair to you? Let me explain to you further. There are two methods by which relief can be granted, one by reducing the duty on your raw materials and the other by increasing the duty on the finished article. You will see that if we are considering the question of reducing the duty on raw materials, we cannot reduce the duty on linseed oil which is used for other purposes. We should merely confine ourselves to the three most important raw materials. On the other hand, if we decide on increasing the duty on belting, we might take into account the duty on red oxide, linseed oil, etc.

Mr. Kay.—It would be better from our point of view and probably from your point of view if the reduction were confined to hair and cotton yarn.

President.—You would not object to that at all.

Mr. Kay.—No, as long as it brings us down to the same basis as Importers of Belting. That brings me to another point which is the export trade.

President.—We will come to that.

Dr. Matthai.—Have you personally any suggestions to make in regard to this question—in what form do you want the relief to be granted—either by reducing the duty on the yarn or by raising the duty on finished belting? Is one likely to be more effective than the other?

Mr. Kay.—The Finance Member will probably not like to lose any revenue.

Dr. Matthai.—Apart from that?

Mr. Kay.—I don't mind at all which way it is done. The only thing is that if the duty is left where it is now and steps are taken to increase the duty on imported belting, we cannot do any export business at all because we don't get a drawback.

President.—You have given us figures as to your total sales. We will have figures from the Trade Returns as to the imports of belting. The financial effect of increasing the duty on belting on various concerns would be very slight.

Mr. Kay.—It would be infinitesimal. As a matter of fact, I took the trouble to go into that question with a jute mill. I found that we invoiced to them a certain quantity of belting last year at a certain cost and I put on to that cost a percentage adequate, according to my working, to cover the duty difference as at present existing. The extra cost to the consumer worked out at something like Re. 0-2-6 per ton.

President.—It will be no burden on the trade.

Mr. Kay.—It will be no burden at all on anybody.

Refund of duty.

President.—Then you have mentioned that you are prepared to produce your balance sheets confidentially to us. It is not necessary for our present purposes to publish them. Now as regards the question of refund on export on which you have laid some stress, a difficulty occurs to me that you manufacture belting in such variety of sizes that it would be extremely difficult for the Customs Department to verify the amount of yarn used in any particular consignment.

Mr. Kay.—I don't think that it would be very difficult. I think that we could evolve a method by which the Customs could satisfy themselves by sending a man to the factory now and again and checking our books and so forth.

President.—If you manufacture in bond, there would be no particular trouble.

Mr. Kay.—We might even come to an arrangement to manufacture certain kinds in bond.

President.—It is done in other countries.

Mr. Kay.—Certainly. We would be prepared to assist the Customs in every way possible as long as we could get the point settled.

President.—Would you think it over and give us your views?

Mr. Kay.—Yes, it would not be necessary to manufacture the whole output in bond, but only such portion as is required for Export.

Dr. Matthai.—Among the export markets that you have mentioned, which is the best market?

Mr. Kay.—Would you call Rangoon an export market?

President.—No, we would not.

Mr. Kay.—As regards the others, they are all equally bad, if we are to judge by our own experience.

Dr. Matthai.—Supposing we gave you a reduction in the duty on yarn, would that reduction cover your freight charges from here to some typical export market, say South Africa?

Mr. Kay.—The only handicap we would be under, if we got a drawback at the time of export equivalent to what we paid in the shape of import duty, would be the freight charges on the yarn coming out. Otherwise we would be almost on a footing with the home manufacturer.

Dr. Matthai.—That is to say, if you have complete exemption.

Mr. Kay.—Yes.

Dr. Matthai.—In that case, it would cover your freight charges both ways.

Mr. Kay.—No; it would put us in the same position as the home manufacturer, except that we would be penalised to the extent of the handling and freightage charges we would have to pay on our imported yarn.

President.—Have you any precedent for this proposal which you make in regard to export market?

Mr. Kay.—I could not say at the moment but I will make enquiries.

President.—I thought that you might have gone into that subject.

Mr. Kay.—No.

Output.

Dr. Matthai.—If you look up your reply to question No. 3, it will be seen that there has been a steady reduction ever since 1923-24 in the matter of output. The point I want to be quite clear about is this. Does this mean that you have been pushed out of the market by imported belting or does this mean that there has been a general reduction in the consumption of belting in India?

Mr. Kay.—I should not say there has been any reduction in demand. The real reason is that we came to the conclusion that it was a mistaken policy that we had adopted. We had decided that we would try it for a couple of years. If we could reduce the manufacturing costs to any great extent, we thought that it would put us in a position to increase our sales considerably. But we found that it was not paying and so we stopped it.

Dr. Matthai.—On looking through the Trade Returns I find that the value of the imports was highest in 1921-22—about a crore of rupees—and in 1925-26 it came down to Rs. 80 lakhs.

Mr. Kay.—The difference was probably in the price of the belting and not in the quantity.

Dr. Matthai.—How does your output shape this year, i.e., 1926-27?

Mr. Kay.—I could get the figures for you.

Dr. Matthai.—You might give us figures for both output and sales.

Mr. Kay.—Yes.

Dr. Matthai.—Your market is mainly in Bengal, is it not, or do you sell all over India?

Mr. Kay.—We sell all over India.

Dr. Matthai.—Do you get much demand from the cotton mills?

Mr. Kay.—That is a business we have been trying to get into for a long time but we have been cut out on account of price. However we are still hoping that we will be able to make some headway.

Dr. Matthai.—The bulk of your business is in Bengal.

Mr. Kay.—Yes, from the jute mills.

Dr. Matthai.—Of course the jute mills have been working short time and you have been working short time also. That might partly at any rate account for the reduction in your business.

Mr. Kay.—The jute mills have been on short time for 6 years now—from April 1921.

Dr. Matthai.—What is your total labour force in the Belting Department?

Mr. Kay.—I am afraid I have not got the figures. I shall have to refer to the Factory.

Dr. Matthai.—The weaving of belts does not require any more skill than the ordinary cotton weaving.

Mr. Kay.—Yes. It is much more intricate machinery.

Dr. Matthai.—It will take an Indian labourer more time to get up to the required level of proficiency in this line.

Mr. Kay.—Yes. The stoppages are more frequent. Very careful supervision is essential in the manufacture of belting.

Dr. Matthai.—I find that you have estimated the total demand for belting in India at somewhere about 20 to 30 lakhs of feet.

Mr. Kay.—I am afraid that that is merely a guess. I cannot vouch for the figure.

Dr. Matthai.—Leather belting might be used for practically all the purposes for which your belting is used.

Mr. Kay.—Yes.

Dr. Matthai.—You have no idea as to how much leather belting is used.

Mr. Kay.—There is quite a lot used—particularly on the Bombay side.

President.—Could leather belting, cotton belting or hair yarn belting be used as a substitute for cotton ply belting.

Mr. Kay.—That would be much more expensive.

Dr. Matthai.—How does leather belting compare with your Hastings belting?

Mr. Kay.—Leather belting is dearer. There are certain firms who will not run their mills on anything but leather belting but in our own jute mill we use hair and cotton belting throughout. Other mills also use Hair and Cotton Belting extensively and it may be taken for granted that it has proved satisfactory, as otherwise they would not continue to use it.

Dr. Matthai.—Is there a general tendency to replace leather belting by hair belting?

Mr. Kay.—Leather belting was first in the market and it has been in the field for a long time; textile belting is much more recent. We have been able to introduce our belting in place of leather belting into a number of Mills and in no single instance has such a Mill reverted to leather belting again.

Dr. Matthai.—Is there any difference between hair belting and cotton belting of the same kind? They may both be used for the same purpose?

Mr. Kay.—Certainly, but cotton belting is perhaps more suitable than hair belting for certain drives—this is largely a matter of opinion. Also hair belting is dearer than cotton belting.

(2) Evidence of Mr. T. A. KAY, recorded at Calcutta on Wednesday, the 11th May 1927.

Indian made cotton yarn.

President.—Mr. Kay, you have given a large amount of detailed information and personally I have very little more to ask you. I think you have told us that you don't use Indian made cotton yarn.

Mr. Kay.—Except in small quantities in the anti-friction selvages and in the "pile" of pile-surface belts. Thus utilised it cannot affect the strength of the belting. Apart from that, we don't use any local yarn. In fact, we have not ordered any for some considerable time. The stock we hold is not being used up in that way.

President.—On looking through the application from the Bengal Belting Works I find that they use Indian cotton yarn entirely.

Mr. Kay.—I can quite believe this. My point is that we dare not risk it. Unless we have "tried out" the Indian cotton yarn on belts which have run for a number of years we can't think of altering the present manufacture. Our customers know from experience what "life" to expect from Hastings Belting and we cannot countenance the possibility of endangering our reputation as Belting manufacturers by introducing another quality of yarn.

President.—You don't contend that it is impossible to produce as good a belting, as you make, out of Indian yarn.

Mr. Kay.—I would not like to express a definite opinion on that question until the Indian yarn has been thoroughly "tried out." Hitherto in experiments we have made, we have found that the Indian yarn is not uniform and we understand this is due to the fact that cotton mills have not got up-to-date machinery here as they have at home. For example, we found that an 18 ply yarn sometimes lost 2 or even 3 ply in the course of spinning or twisting with the result that it became a 16 or 15 ply for a portion of its length. As we cannot afford the time to test and count every length of yarn before beaming we decided to discontinue our experiments. Up-to-date machines are fitted with a safety "stop-catch" so that if a single thread breaks the machine stops and cannot proceed until the break has been mended.

President.—Do you mean that they are more liable to break?

Mr. Kay.—Yes, a broken thread reduces the strength of the yarn.

President.—It is a question of reliability.

Mr. Kay.—That has a lot to do with it. Also it is a different kind of cotton from the one that we are using. We have made one or two belts entirely from the Indian cotton yarn and have tried them out and up to a point they are satisfactory, but there is always at the back of my head a feeling that we might be very badly let down and we have decided to leave Indian cotton yarn alone in the meantime.

President.—Supposing we recommend tariff equality by a reduction in the duty, would you then continue your experiments with the Indian cotton yarn?

Mr. Kay.—Certainly. If it proves as good a yarn we get from home, we would buy in the cheapest market.

President.—I think it is considerably cheaper.

Mr. Kay.—Yes, there is a distinct difference in price.

President.—I notice a difference of 2 or 3 annas.

Mr. Kay.—I think we were buying here at about a rupee when the Home price was on the parity of about Re. 1-12-0. The difference won't be so big now as there was a bumper cotton crop last year, and the price of yarn has come down considerably.

Dr. Matthai.—When you speak of the Indian yarn, do you mean yarn of the same counts?

Mr. Kay.—They are not exactly the same counts, but as near as they can get to our standards.

Dr. Matthai.—I mean the kind of yarn that you get now from abroad, would they make it out of Indian raw cotton?

Mr. Kay.—The yarn that we buy is manufactured from the American raw cotton.

Dr. Matthai.—Do you mean the one that you import?

Mr. Kay.—Yes.

Dr. Matthai.—If they had Indian cotton of longer staple in some parts of the country like Cambodia, would they be able out of that Indian raw cotton to spin yarn of the kind that you import now?

Mr. Kay.—There is another point and that is moisture in the air. Lancashire, for example, has an advantage in the manufacture of finer counts. Owing to the moisture in the atmosphere they can spin a much finer yarn than in drier climates. From our point of view there can be only one method of comparing the two yarns, Indian and imported, and that is to put a number of belts made from each yarn to work on similar drives and compare the length of service.

Dr. Matthai.—What is the price of Indian cotton yarn?

Mr. Kay.—We paid from 14 annas to Re. 1 per lb. I have an idea that the mill that supplied us had to mix a certain amount of American yarn with their Indian yarn here in order to get anywhere near our standard.

President.—They would have, of course, to use a longer staple.

Mr. Kay.—Yes.

President.—That might be either imported yarn or possibly Cambodia or one of the longer staples grown here.

Mr. Kay.—May I correct one statement that I made at my last examination. You asked me whether the average width of $3\frac{1}{2}$ " would be a fair basis to work on. It will be for the cotton belting. As far as the Hair belting is concerned on going into my figures I find it would be nearer $4\frac{1}{4}$ " and $4\frac{1}{2}$ ". I gave $3\frac{1}{2}$ " as covering the whole lot, Hair and Cotton.

Dr. Matthai.—But we have obtained our prices for $3\frac{1}{2}$ ". Would that be far out? $3\frac{1}{2}$ " to $4\frac{1}{2}$ " would be somewhere about your average.

Mr. Kay.—The average would be $4\frac{1}{4}$ ".

Dr. Matthai.— $3\frac{1}{2}$ " would not be far out. You make a good deal of $3\frac{1}{2}$ ".

Mr. Kay.—It is going to make a difference.

Dr. Matthai.—We have got all our information about prices and so on for $3\frac{1}{2}$ " and we would have to get fresh information if that would be far out. If your average is really $3\frac{1}{2}$ " to $4\frac{1}{2}$ ", it would not make very much difference.

Mr. Kay.—This I take it was just to arrive at the idea of prices of our belting as compared with other brands of belting.

President.—It is really for the purpose of comparing the amount of duty you pay on raw materials per 100 ft. of $3\frac{1}{2}$ " with the duty paid on 100 ft. of imported $3\frac{1}{2}$ ".

Mr. Kay.—For that purpose I think it would be about right.

President.—You have given us your costs for $3\frac{1}{2}$ ". The latest figures are for $4\frac{1}{2}$ ". As regards the proportion between cotton and hair there is little difference between $3\frac{1}{2}$ " and $4\frac{1}{2}$ ".

Mr. Kay.—That is so.

Black proofing.

President.—I don't think it would affect our recommendations very much. As regards black proofing we asked the Collector of Customs and he was not satisfied with the statement that it was used for nothing else except for the belting. The line he took was that it was used no doubt by the belt manufacturers, but it might also be used for other industries for the purpose of dressing.

Mr. Kay.—He spoke over the 'phone to me and I have sent him a sample of the solution. I scarcely think that it would be used as a belt dressing. The other solution cling surface, is a belt dressing. I know we don't use Black Proofing in our own mill as a belt dressing. It is proofing primarily and the Collector will be able to satisfy himself as regards that. We don't sell it. Whatever we import we require for our belting.

Reduction of duty.

President.—In regard to the cling surface you said you were not putting in any claim for protection.

Mr. Kay.—No. I would prefer the equalisation were arrived at by reducing the duty on yarn.

President.—Your point was that a sufficient reduction should be made on the import duty on hair yarn to cover the difference between the duty on the imported material and the duty on the raw material so far as not only your hair yarn, but also so far as proofing and cotton yarn are concerned.

Mr. Kay.—That is how I would like the point to be taken, but it is merely a suggestion.

President.—We should take everything into consideration in proposing a reduction of duty on one particular raw material, is that your claim?

Mr. Kay.—Yes, on yarn. We would prefer the reduction to be given on both hair and cotton, because we use a lot of cotton in the belts. The duty on cotton is not so much as on hair yarn.

President.—The cotton yarn duty is comparatively small.

Mr. Kay.—Yes.

President.—There is this aspect of the case. It is possible that any inequality you suffer there would gradually disappear as you are able to use more and more Indian cotton yarn.

Mr. Kay.—I don't mind as long as we are brought into line with importers of belting, that is to say, we have not to pay more than they have to pay. So far as Indian cotton is concerned we don't use it and it cannot be adopted for some years in any event.

President.—So far as you are concerned it does not really make very much difference whether the import duties on three or four raw materials are slightly reduced or whether the duty on one of them is reduced sufficiently to give you the relief you desire.

Mr. Kay.—No. (Later.) A difficulty might arise here if the relief is confined only to Hair Yarn. It might conceivably happen that our business in cotton belting increases at the expense of our hair belting, resulting in increased imports of cotton yarn and reduced imports of hair yarn. The relief if granted only on hair-yarn would in this event be inadequate.

Dr. Matthai.—As regards cotton belting, when there was an excise duty on cotton manufactures, then, of course, the difference between the duty that you paid on the cotton yarn in the cotton belting and the import duty on the finished cotton belting was rather considerable. But now that the excise duty has been removed the difference between 5 per cent. on the raw material and 2½ per cent. on the finished belting is so little that I do not know if you would think it necessary that relief should be given particularly with regard to cotton belting. If we are going to take out a cotton product and suggest special treatment with regard to that, it might raise a number of issues unconnected with this question.

Mr. Kay.—I quite see.

Dr. Matthai.—On working out the figures I find that it is a very small difference between the duty that you pay and the duty on the finished belting per 100 ft. it comes to .3 of a rupee or thereabouts.

President.—The Second Tariff Board has reported on the Cotton Industry. We do not know what their recommendations are. It is just possible that their recommendations might complicate the problem.

Dr. Matthai.—As a matter of fact the problem of inequality is much more important in the hair belting than in the cotton belting.

Mr. Kay.—We use cotton yarn both in the cotton belting and in the hair belting.

Dr. Matthai.—Take the hair belting. If we take the duty that you pay on the hair yarn, on the cotton yarn used in the hair belting and on the black proofing and deduct from that the duty paid by the importer on the finished hair belting and give you relief in respect of the excess thus arrived at by reducing to a corresponding extent the duty, say, on the hair yarn, that ought to satisfy you.

Mr. Kay.—That is what we are after.

Dr. Matthai.—The difficulty that I suggested was only with regard to cotton belting but I am not suggesting any difficulty with regard to the cotton yarn in the hair belting, you see my point?

Mr. Kay.—I see the point. The only thing I am looking at is that if our sales of cotton belting suddenly started running up, we would not be getting any relief there at all, we would be importing this yarn and competing with the home manufacturers, they paying 2½ per cent. on the imported belting and we paying 5 per cent. on the cotton yarn.

Dr. Matthai.—5 per cent. on a material which is less expensive than the finished belting might be just equal to 2½ per cent. on the imported belting.

President.—It might stimulate you to carry out more experiments in the use of Indian yarn.

Mr. Kay.—It is really immaterial to us how we get the equalisation as long as we get it and it covers all the belting we make. We did not start off with the idea of asking for protection. As a matter of fact, with selling prices as they are to-day even if you take off the whole duty on both the cotton and hair yarns, we could not compete with the home people. It would make very little difference to us. However, if we get the duties brought into line we would be satisfied with that. From the rates at which belting is sold now it appears that the home manufacturers must have run into very heavy stocks and they are selling at any price.

President.—Temporarily you may not be able to sell, but assuming that you get fair treatment in the matter of tariff equality, your position would be improved considerably as regards the future.

Mr. Kay.—Certainly.

Prices of imported belting.

Dr. Matthai.—The trade in imported belting seems an extraordinary kind of trade. You get different kinds of prices.

Mr. Kay.—Of course there are different qualities.

Dr. Matthai.—Is it entirely a question of different qualities?

Mr. Kay.—There are also various grades of yarn that one can buy.

Dr. Matthai.—On that point I wonder if you could throw some more light. We have got some statement of prices. There is a kind of belting referred to as Rossendale hair belting. Is that comparable with yours, that is to say, is that the sort of belting that would come in competition with your belting?

Mr. Kay.—I should say so, but, of course, it is very difficult to form an opinion. Take our own case. We make two or three kinds of 3" belting. We make a special kind which is for dynamo running. It is a thin belting, thinner than our ordinary standard 3" belting; and the same is the case with 4" belting. We make one kind ⅜" thick with a pile surface. But the standard belt has a plain surface, and that is approximately a quarter of an inch thick. We have also 4" train lighting (dynamo) belting. There are three distinct

types. A dealer might produce the dearest type and say "Birkmyres are selling this 4" belt at such and such a price" (quoting the rate at which our cheapest 4" belt is selling). Thus confusion arises. Various manufacturers have various thicknesses for distinct purposes, *e.g.*, our $6" \times \frac{1}{8}"$ thick hair belting is made for saw mills but our ordinary standard 6" belting would not be suitable for this work.

Dr. Matthai.—We have got to arrive at some import price to determine what is the duty which the importer pays. Supposing the importer gives three or four kinds of one size belting and supposing we take the cheapest type and say "this is the thing which would come in competition with the Indian belting," would that be a fair thing to do? We have to get some kind of figure for the import price. If a man gives me three prices for $3\frac{1}{2}"$ imported belting and for the purpose of my calculation I say that the cheapest comes most into competition with the Indian made belting, would it be fair?

Mr. Kay.—I should say that Messrs. Rossendale Belting Company's standard belting is a similar belting to ours without going into the question of the quality of yarn they use in it. But they are able to sell so very much cheaper than we are that until the two belts are "tried out" against each other on identical drives it will be difficult to give a definite opinion.

Dr. Matthai.—What about Gripoly belting?

Mr. Kay.—It is a good belt.

Dr. Matthai.—In the description that they gave, they say "the only brand covered with a definite guarantee of being made from hair yarns' 100 per cent. pure genuine camel hair". Does that mean that the whole belting is made of hair?

Mr. Kay.—No. The hair yarn used in making this belting is 100 per cent. pure camel hair yarn.

President.—That is rather an expensive kind of belting.

Mr. Kay.—Yes, their selling rates are high.

Dr. Matthai.—It is rather expensive judging from the prices given here.

Mr. Kay.—Yes. It is I believe only recently—within the last two years I think—that they have started advertising that their belting is made of 100 per cent. pure camel hair yarn. The difference in the price I find is not extraordinary between the two yarns, camel hair yarn and pure camel hair yarn, and it is a matter of opinion which is the more satisfactory.

President.—Messrs. Jessop and Company are large importers of camel hair belting. They have given us average prices for $3\frac{1}{2}"$ camel hair belting for the last three years. We asked them about the level of prices. We might take their prices as comparable with your prices?

Mr. Kay.—I should think so.

President.—They are reliable people.

Mr. Kay.—Yes.

President.—Actually the figure that they have for September 1926 is 1s. 4.5d. per ft. c.i.f. (sterling cost) and to that landing charges and the Customs duty of 1 per cent. and $2\frac{1}{2}$ per cent. respectively should be added. It will be just under a rupee—about 15 annas. Do you consider that a typical quotation?

Mr. Kay.—I should think so.

President.—There is nothing unusual in it which you would object to.

Mr. Kay.—I should not think so. They have not put anything on for landing charges and so forth.

President.—There is very little difference.

Mr. Kay.—That is so.

Amount of duty to qualify for rebate.

President.—I want to put to you a general question as an industrialist because your answer will be very valuable. As you know there are different methods of dealing with the question of tariff equality. One method is by

giving a rebate in the case of an industry where it is difficult either to increase the duty or because the article is used for other purposes to decrease the duty, and the possible method of course is to give a rebate to the individual firm or firms. But from the administrative point of view there may be certain difficulties. Although an industry may be carried on a fairly large scale, it is also possible that it may be carried on on a very small scale. That is to say, the manufacture may be undertaken by very small men. The amount turned out in a year may be small and consequently the amount of rebate claimed also will be small. If we fixed an arbitrary limit and said "if the amount of rebate of duty does not exceed Rs. 500 in the year, there is no case for rebate".

Mr. Kay.—Do you want to guard against the industry dying out?

President.—We want to guard against thousands of applications from people running business on a scale which cannot be called an industry. The ordinary businessman would not consider a rebate of Rs. 500 worth fighting for.

Mr. Kay.—I do not know. We find we have to fight for everything of this nature that we are entitled to.

President.—Rs. 500 a year would not be worth fighting for on the supposition that you are running a genuine business.

Mr. Kay.—If your rebate does not come to Rs. 500 a year, one might say that whatever your manufacture may be, it does not amount to an industry.

Mr. Kay.—Quite so.

Prices of Yarn.

Dr. Matthai.—I want to ask you a question about one of your confidential statements that you gave us. I am thinking of the prices just now. These prices of hair yarn and cotton yarn that you give under hair belting, to what date do they relate? Are these the latest prices?

Mr. Kay.—They are for 1924-25.

Dr. Matthai.—They do not tally with the 1924 and 1925 prices given in the other confidential statement submitted in reply to question 12 of the questionnaire. I rather think that the explanation is that you took prices at a particular date in the one case and that you gave the averages in the other.

Mr. Kay.—I could not really say without going into the figures.

Dr. Matthai.—I suppose since these prices are later that it would be better for our purposes to adopt the prices for 1924-25 that you have given in the list.

Mr. Kay.—Yes.

Dr. Matthai.—These are not prices at which you actually bought?

Mr. Kay.—No. These are the average prices at which we purchased during the year.

President.—This first statement that you refer to, is that for 1924-25?

Mr. Kay.—Rs. 1-15-2-39 per lb. is the price which we had to pay to buy yarn at home during that year.

President.—The amount of hair and cotton yarn which you use in 3½" hair belting, is that constant? I mean to say there is nothing peculiar in that particular year?

Mr. Kay.—No. That is our standard all the year through. With reference to the figures given at the foot of the statement, I may add that when giving the figures I overlooked the fact that I took them from plain surface belting. It is only during the last two or three years that we have started manufacturing "cushion" (or "pile") surface belting. In sizes of over 6", we have discontinued manufacturing plain surface belting. The figures that I gave here I took from plain surface belting and it is a very different matter from the cushion surface because the latter has a cotton pile on one face of the belt which alters these percentages.

President.—So that these figures for 12" and 16" to 24" do not apply now? What about this 57 per cent. and 43 per cent.?

Mr. Kay.—They hold good; but in the wider widths we are using more cotton yarn since the commencement of manufacture of the pile surface belting which is now our standard, and the cotton yarn content is now greater than the hair yarn content owing to the pile. All the figures, etc., in this statement from "Further it will be seen" right up to the end, may therefore please be considered as cancelled.

Dr. Matthai.—Any decision we came to on $3\frac{1}{2}$ " belting will be equally applicable to this pile surface belting?

Mr. Kay.—That is as near as we can get.

Dr. Matthai.—Do you get your proofing from England?

Mr. Kay.—Yes. It is used by all the big people at home who make black belting. We have used this solution for 4 years. Before that we supplied red oxide belting and this is one of the improvements we have introduced. It is British made; it is made by the Falcon Chemical Works.



नमो भगवते वासुदेवाय

MESSRS. S. A. TYABJI & CO., RANGOON.

A.—WRITTEN.

- (1) *Letter, dated the 20th August 1923, from Deputy Secretary to the Government of Burma, Finance and Revenue Department, to the Government of India, Department of Commerce, forwarding representation from Messrs. S. A. Tyabji & Co., dated 25th April 1923.*

I am directed to submit, for the consideration of the Tariff Board appointed under the Government of India, Commerce Department Resolution No. 3748, dated the 10th July 1923, a copy of an application from Messrs. S. A. Tyabji and Company, Rangoon, praying that the cotton canvas which they import for the manufacture of belting be exempted from customs duty.

2. I am to say that the Company has been asked to specify the articles in the list of cotton piecegoods published in the Government of India, Commerce Department Resolution No. 5474, dated the 19th October 1922, in respect of which they desire exemption from customs duty. On receipt of this information a further communication will be addressed to you.

Representation, dated 25th April 1923, from Messrs. S. A. Tyabji & Co., Rangoon, to the Minister in charge of Industry, Burma, Rangoon.

We have the honour to inform you that since March 1922, we started on an experimental scale the Manufacture of Belting for Elevator work in Rice Mills.

Since our experiments were satisfactory, we are now working on a small but commercial scale, and the Sewn Cotton Canvas Ply Elevator Belts have been successfully placed on the market since August 1922. Lately we have increased our production and we can turn out 75,000 worth of goods per year. We, however, find it a great drawback in that no suitable Cotton Duck is available in India; we have communicated with many Indian mills, and they have been interviewed by our representatives personally, but no mill is at present prepared to supply the required material, as none have the necessary looms to manufacture a quality equal to our requirement. One mill, however, has promised to instal a loom, if we could keep it going, but this, we are, at present, not in a position to do.

We had, therefore, to fall back on Imported Cotton Duck, on which we have to pay a duty of 11 per cent. as against a duty of 2½ per cent. on imported belting manufactured from similar material. We are thus handicapped at the outset with a protective duty of 8½ per cent. on competitive imported belting. This disadvantage falls heavy on an industry in its very infancy, and which has to be carried on under very difficult conditions, because of the lack of adequate machinery as well as men with knowledge of the manufacturing processes. But the continuous sales we have for our manufactures proves, and we are in a fair way towards enabling this industry firmly.

As you are aware, a local industry has to place its manufactures on a lower scale of price than that of the imported articles, till its manufactured articles gain the confidence of users. Neither can an industry depend on its retail sales, for the placing of the goods on the market lies largely in the hands of the merchants dealing in this article. The merchants will naturally not purchase our goods except at a lower price than those paid for by them for imported articles, and we thus come in competition with rock bottom belting, c.i.f. prices *plus* duty. And here the difference between the duty of 11 per cent. paid on canvas and of the 2½ per cent. on belting acts very strongly against us. If we wish to meet this competition in rock bottom prices, we have open to us the only other method of reducing the quality of our principal materials—canvas—out of which we manufacture the belting—and this

step would be most detrimental to the firm establishment of a new industry from every point of view, and we are not prepared to adopt it.

We have tried all we could to reduce our costs to meet the competition. In this connection we may mention the fact, that formerly we were using imported sewing twine, but now through our efforts the twine is manufactured for us from Indian mill yarn locally, and as soon as the Burma Spinning and Weaving Mills can supply suitable yarn the twine will be made from such yarns. And thus we hope this (the twine) industry will also grow in the future. We are using Indian paints, and all other materials are of Indian manufacture. Further than this, we are not able to reduce the cost of material and manufacture without detriment to the quality.

We, therefore, have the honour to request that you represent the matter to the Government of India that the duty on cotton canvas which we may import for the purpose of manufacturing belting out of it, may be remitted, because on the remission or continuance of this duty on canvas, depends the existence or dying out of this industry.

Our request is in accordance with the recommendations of the Industrial Commission and also of the Fiscal Commission; and we trust this facility will be given us for the establishment of an industry which is the first of its kind in the whole of India.

You will undoubtedly enquire as to what qualifications we have to be able to work this new industry. We are the largest sellers of belting in Burma, and have specialised in this line for the past thirteen years. The proprietor of the firm has worked in industrial concerns. Having specialised in this one line, it is but natural that we have learnt something about belting, and have a market in hand and our manufactured belting will show that we are using our experience to some purpose.

Any other information that you may desire will be at your disposal.

- (2) *Letter, dated the 27th August 1923, from Deputy Secretary to the Government of Burma, Finance and Revenue Department, to the Secretary to the Government of India, Department of Commerce.*

In continuation of my letter No. 564/2-C-15, dated the 20th August 1923, I am directed to forward a copy of a further letter, dated the 21st August 1923, from Messrs. S. A. Tyabji and Company, Rangoon, specifying the kind of cotton canvas in respect of which they desire exemption from customs duty.

Letter, dated the 21st August 1923, from Messrs. S. A. Tyabji and Company, Rangoon, to A. E. H. Killick, Esq., I.C.S., Deputy Secretary to the Government of Burma, Finance and Revenue Department.

We have the honour to acknowledge receipt of your favour No. 565/2C-15 with thanks.

Our request for exemption of duty refers to canvas (cotton), which, to the best of our knowledge is also called "Cotton Duck," according to usage prevailing in the exporting countries. For example, Japan calls it "Cotton Duck" whilst British firms call it either "Cotton Canvas" or "Cotton Duck." In India and Burma "Cotton Canvas" is the more general term.

On making enquiries, we find that a type of Lawncloth is also called "Duck."

For the purpose of removing any doubt in the Customs, we would be able to get our invoices made out either as "Cotton Duck" or "Cotton Canvas" as we may be advised.

We beg to thank you for the copy of the Resolution No. 5474 of the Government of India, Commerce Department.

We are at your service for any other information required.

(3) *Letter, dated 8th March 1927.*

We beg to enclose our reply to the questionnaire of which 5 copies are enclosed. We have given one copy to the Chairman to which the Foreign Belting price list is attached, as we have not got six copies of these.

If any further information is required we shall be pleased to supply the same.

In considering our factory, it has to be remembered that the small factory we have put up, is for the purpose of proving the industry and then floating a larger concern.

Statement of evidence submitted by Messrs. S. A. Tyebjee & Co., to the Indian Tariff Board, with regard to the protection of the Belting Industry.

Preliminary Remarks.

Before proceeding to answer the questionnaire of the Tariff Board, we desire to explain the special circumstances of the Cotton Ply Belting Industry, in which we are interested. The Tariff Board is no doubt aware that Cotton Duck (also called canvas) which is a manufactured article, is the chief "raw material" of this industry. Cotton canvas suitable for the manufacture of belting is not manufactured in India except in one size by a single Bombay Mill. We have consequently to rely upon imported canvas and pay a high duty on our chief raw material, and, thus, start with an initial disadvantage. This disadvantage is considerably accentuated by the fact that foreign belting imported in this country, is assessed, and rightly so, we believe in the industrial interests of this country, at only 2½ per cent. While therefore on the one hand we have to pay an import duty of 11½ per cent. on our raw material, the foreign manufactured article against which we have to compete, is allowed to be imported at a low rate of only 2½ per cent. We have thus to work under very unfavourable and, we may add, unfair conditions. During the last two years and more the high rate of exchange has been an additional handicap as it has automatically reduced the price of imported belting by as much as 11 per cent. We are thus handicapped at present by what we would call a protection duty of about 20 per cent. on competitive imported belting.

In this connection, we beg to refer the Tariff Board to paragraph 115 of the Report of the Indian Fiscal Commission. We are of opinion that our case is similar to that of the printing ink industry referred to by the Fiscal Commission in this paragraph. We therefore claim that the duty on canvas imported from foreign country should be remitted. We feel that in asking for this remission we are not asking so much for protection as for fair and equitable treatment. We also ask for sympathetic treatment so far as Government's requirements are concerned.

We may further suggest that the Import Custom's List and the Sea Borne Trade for India and other provinces should be particular about giving proper details of belting imported. The undermentioned details in these reports are necessary :—

- " Hair " Belting.
- " Rubber " Belting.
- " Balata " Belting.
- " Leather " Belting.
- " Cotton " Solid Woven Belting.
- " Cotton " Ply Belting.

Unless these particulars are clearly mentioned in these reports, it is not possible to arrive at exact figures of import of belting of different types in India.

It will therefore not be possible to arrive at any conclusion whether imports of particular types of belting (which may be manufactured in India also) are decreasing or not.

1. We started experimental work in the year 1922 with the manufacture of hand-woven jute belting. This being unsuccessful, we started manufacturing canvas ply belting at the end of 1922.

2. Working to capacity our works can produce annually Rs. 1½ lakhs worth of belting of all sizes.

4. We have no means to form an estimate as to the quantity of each kind of belting annually manufactured in India.

5. As far as we are aware the following firms manufacture hair or cotton belting:—

1. Messrs. Birkmyre & Co., Calcutta Hair Belting.

2. Messrs. The Bengal Belting Works Ltd., Calcutta Hair Belting and Cotton Solid Belting.

6. At present we are manufacturing belting only. We may state, however, that we are in a position to manufacture any other canvas goods according to requirements, *e.g.*, (a) Postal Bags, (b) Dredger Sleeves, (c) Sails. (d) Paulins, (e) Cotton Twine, etc., if there is a demand for these articles.

Raw materials.

7. The following raw materials are required for the manufacture of canvas ply belting:—

1. Cotton Canvas.

2. Cotton Yarn.

3. Linseed Oil.

4. Red Oxide.

5. Different kinds of gums.

8. Of these articles enumerated above the last four are produced in India in abundance. Cotton canvas of a width of 24" of varying thickness is also manufactured in India. Cotton canvas of a width of *over* 24" of the maximum weight is being imported from foreign countries.

12. (b) Landing charges, about 1 per cent. of value.

(c) Duty at 11½ per cent.

(d) Cartage, cooly charges, etc. (One cart carries 500 yards at Rs. 5 a cart) ½ per cent. Other requirements are purchased locally.

13. (1) Rate of duty 11 per cent.

(2)

| | 1924. | 1925. | 1926. |
|--------------------------------------|-------|-------|-------|
| 1. Proportion to all materials . . . | 8% | 8% | 7½% |
| 2. Proportion to all labour . . . | 74% | 50% | 50% |
| 3. Proportion to all overhead . . . | 14% | 12% | 15% |
| 4. Proportion to 1, 2, 3 . . . | 3¼% | 3½% | 3¾% |

14. Cotton duck of the type we import for the manufacture of belting, in our opinion, is too thick for being used for the purpose for which cotton duck is generally used.

15. The imports in India of various types for belting during the last three years were as per tables A, B, C, D attached. For the total demand we have to add to the total import of belting the quantity manufactured in India for which it is not possible for us to give any figures.

The figures of imports above are sufficient to show that there is a large market for belting in India. Figures for Burma are also stated—the total imports being 10 lakhs average.

18. We are, however, of opinion that there is a large market for this type of belting in the Malaya Peninsula. But under the present conditions it is not possible for us to compete with the manufacturers of other countries.

19. A system of rebate of duties on the raw materials would, we think, go a long way in helping to establish an export market.

In our case the duty on canvas would be $11\frac{1}{2}$ per cent. This would not affect sizes smaller than 6", as we seldom use foreign canvas for similar size of Belting.

For the sizes 6" x 6 ply and over, the rebate would amount to approximately $3\frac{3}{4}$ per cent. reduction on our total cost of belting.

This $3\frac{3}{4}$ per cent. on total cost would enable us to meet freight and other charges for foreign shipments. This rebate would enable us to quote c.i.f. foreign ports on the basis of western quotations.

It is quite clear we may make no direct profit immediately on foreign shipments. But by producing a larger quantity we would bring down the cost of all our productions, and thus in the end stand to create a margin of profit.

21. In the year 1924 although our belting then was quite new and not so well made as now the sale in value was larger, but for a lesser number of feet sold than in 1925 and 1926, during which years, we were compelled to work the factory at less than its full capacity. This was the result of the exchange soaring high, which automatically reduced the c.i.f. price in rupees of imported belting of the same quality. In the comparative statement, referred to above, we have also shown the discount allowed on our price list, which with some minor alterations, is practically same as in 1924. The discount allowed by us had to be raised in keeping with (a) the fall in foreign price and (b) further reduction in c.i.f. price of imported belting as a result of the rise in exchange.

So far as the increase in cost is concerned, we do not think there has been any appreciable difference in the cost owing to our factory not working to its full capacity. The reason is that we placed our factory on a commercial scale in 1924, our expenses were naturally high through lack of experience. Since then however we have been able to reduce our working cost. We desire to add, however, that our factory in 1924 been in an organised stage and worked as economically as it has been worked in 1925 and 1926, the cost of 1924 would have been lesser because the output was larger in 1924. In other words, the fact that our cost has not increased in 1925 and 1926 when the factory was worked to a quarter of its capacity was only an accident in so far as our factory in 1924 was in a very early stage; the working of a factory at less than its full capacity is bound to increase the cost of production.

22. The competition in the Indian markets is keenest from England, Scotland by Bikmyres has come into Burma from India; with regard to solid ply beltings.

23. (1) So far as we are aware camel hair belting "Hastings" manufactured by Bikmyres has come into Burma from India; with regard to solid woven cotton, we have not heard of any.

With reference to cotton ply belts we understand Government Departments in Burma occasionally purchase from Bikmyres.

Claim to assistance.

27. Before proceeding to deal with this question, we desire to repeat what we have stated in our preliminary remarks, viz., we do not ask so much for protection as for fair, equitable and sympathetic treatment. As pointed out above, the belting industry is struggling under a two-fold handicap.

(a) It has to pay a high import duty of $11\frac{1}{2}$ per cent. on its chief raw material while the imported finished product is assessed to only $2\frac{1}{2}$ per cent.

(b) The high exchange duty at present.

We have nothing to say against this low rate of import duty on the finished product, as we consider it to be in the general industrial interests of the country.

Without prejudice to our above contention we maintain that the cotton ply belting industry fulfills all the three conditions laid down in paragraph 97 of the Report of the Indian Fiscal Commission.

Natural advantages.

(a) *Raw materials.*—As pointed out in our reply to question No. 7, all the materials except canvas are available in abundance in India. As for canvas we have at present to rely upon imported material to large extent. We beg to state, however, that cotton duck of many types are now manufactured in India. Till 1924, heavy cotton duck, suitable for the manufacture of belting, was not available. But in 1925, Mr. Tyebji persuaded one of the Indian Mills to manufacture canvas of the type required, and since then the quality has been gradually improving. The only disadvantage at present is that they can manufacture heavy cotton duck of a maximum width of 24" only. We believe, however, that if the belting industry develops and the demand for cotton duck increases, there is no reason why it should not be possible for the Indian Mills to manufacture cotton duck in sizes required. The c.i.f. price of the indigenous cotton duck compared with that of the imported duck of the same weight and quality, is less. Therefore there would be every inducement for the manufacturer of belting to buy indigenous canvas in preference to the imported stuff even though the rebate of import duty on the latter were allowed. But to bring about such a state of affairs, it is necessary to encourage the development of the belting industry by allowing the import of canvas free of duty so that the demand for cotton canvas may increase to an extent which would make it possible for the Indian Mills to go in for the manufacture of canvas in suitable required sizes.

As regards the supply of cheap power and labour, we have not experienced any difficulties and we consider the conditions quite suitable.

As regards the home market, we beg to refer to our reply to question No. 23, from which it will be evident that there is a large demand for all types of belting.

(b) We maintain that it is impossible to expect the development of the belting industry in India on a sound and solid basis so long as it has to struggle under the handicap in the shape of a high import duty on its chief raw materials. The difficulty is further accentuated by the high exchange which automatically reduces the price of the imported belting by about 11 per cent. We therefore consider the remission of the import duty on canvas (in our case) essential for the development of the belting industry, as the least help the State can give us.

(c) We are of opinion that as soon as the indigenous canvas of suitable sizes is available, the industry will stand on its own legs without protection, i.e., even if the duty on imported canvas is re-imposed. But as pointed out in our reply to question No. 27 (a), the indigenous mills can not be induced to manufacture canvas in different required sizes unless they are assured of a sufficiently large demand, which can only be created by the expansion of the industry, which can be brought about by the remission of import duty on canvas during the next few years. If therefore the concession asked for, is granted, we shall be able to increase our production and thus bring down our overhead charges. Our cost of production will go down and that would enable us to enter into export business. It would thus be possible for us to face world competition even without the concession which we now claim.

28. We claim the belting industry satisfies all the conditions mentioned in paragraph 93 of the Indian Fiscal Commission Report.

(a) In Burma, the import of the type of the belting which we make amounts to about 1,50 thousand. This output can be reached by us, without any appreciable outlay on our part for machinery, and the increase in the labour would be about double of our present staff. The overhead charges of rent and supervision would not increase. The power we have is sufficient or if we find it necessary to increase the power it might be by another small subsidiary engine. There is absolutely no doubt that larger production would reduce the

overhead charges which at present, with all the economy we can bring about are high.

S. A. TYABJI & CO.

Price list of driving elevator, and conveyor, beltings.

"SATYA" BRAND.

Sewn Cotton Duck Elevator Belting.

| | Rs. | A. | P. |
|--------------------------------|-----|----|----|
| 1" to 1½" x 4 ply at | 0 | 6 | 0 |
| 2" x 4 ply at | 0 | 7 | 6 |
| 3" x 4 ply at | 0 | 10 | 0 |
| 4" x 4 ply at | 0 | 13 | 0 |
| 4" x 5 ply at | 1 | 0 | 0 |
| 4" x 6 ply at | 1 | 6 | 0 |
| 5" x 5 ply at | 1 | 6 | 6 |
| 5" x 6 ply at | 1 | 10 | 0 |
| 6" x 6 ply at | 1 | 12 | 0 |
| 6" x 8 ply at | 2 | 0 | 0 |
| 7" x 6 ply at | 2 | 0 | 0 |
| 7" x 8 ply at | 2 | 10 | 0 |
| 8" x 6 ply at | 2 | 5 | 0 |
| 8" x 8 ply at | 3 | 0 | 0 |
| 9" x 6 ply at | 2 | 12 | 0 |
| 9" x 8 ply at | 3 | 6 | 0 |
| 10" x 6 ply at | 3 | 0 | 0 |
| 10" x 8 ply at | 3 | 10 | 0 |
| 12" x 6 ply at | 3 | 12 | 0 |
| 12" x 8 ply at | 4 | 12 | 0 |

C. A. B. Leather Belting.

| | Rs. | A. | P. |
|---------------------|-----|----|----|
| 2" x 4 m.m. | 0 | 15 | 0 |
| 3" x 4 m.m. | 1 | 7 | 0 |
| 4" x 5 m.m. | 2 | 6 | 0 |
| 6" x 5 m.m. | 3 | 10 | 0 |

Prices subject to alteration without Notice.

All communications should be addressed to the Company only.

Also we deal in, Circular Saws, Saw Files, Emery Wheels, Grinding Stones, King's Salt, King's Cement, Emery No. 18 and 20, Wirecloth, Perforated Sheets, Rubber Brakes, Bolts and Nuts, M. S. Sheets, Brass Steam Fittings, Packings, Asbestos, Millboard, Lubricating Oils of Standard Oil Co. of New York, and B. O. C. etc., etc.

Confidential statement of evidence submitted by Messrs. S. A. Tyebjee & Co., to the Indian Tariff Board with regard to the protection of the belting industry.

3.

Cotton Ply Belting.

| 1922. | 1923. | 1924. | 1925. | 1926. |
|-------|--------|--------|--------|--------|
| Feet. | Feet. | Feet. | Feet. | Feet. |
| 2,647 | 13,506 | 23,011 | 21,129 | 15,455 |

9. (a) We regret we do not know the customary unit used by other manufacturers. The unit for Canvas we have is according to the thickness of the Belting, i.e., 1"×1' length×3 ply, 4 ply, 5 ply, 6 ply, and 8 ply, i.e., 5"×6 ply×1'=5×6×1=30"×1' canvas.

| (b) | 6"×6 ply. | 6"×8 ply. |
|--------------------------------|------------|------------|
| Linseed | 1 lb. to 7 | 1 lb. to 6 |
| Paint | 1 lb. to 8 | 1 lb. to 8 |
| Twine per foot | ·05 lb. | ·06 lb. |
| For other sizes proportionate. | | |

10. (a)

Canvas.

| | | 1924. | | Excluding duty. | |
|-----------|-----------------|-------|-------|-----------------|-------|
| | | Rs. | A. P. | Rs. | A. P. |
| 24" | 4,530½ yards at | . 1 | 3 0 | 5,380 | 0 0 |
| 32" | 2,735 yards at | . 1 | 10 0 | 4,444 | 6 0 |
| 36" | 364 Jute Cat | . 0 | 12 0 | 273 | 0 0 |
| 48" | 3,202 yards at | . 2 | 5 0 | 6,504 | 10 0 |
| 25. | | | | | |
| 24" | 4,247½ yards at | . 1 | 2 0 | 4,778 | 7 0 |
| 32" | 2,638½ yards at | . 1 | 8 0 | 3,057 | 8 0 |
| 36" | 162 Jute Cat | . 0 | 12 0 | 76 | 8 0 |
| 48" | 2,044½ yards at | . 2 | 8 0 | 5,110 | 13 0 |
| 1926. | | | | | |
| 24" | 2,689½ yards at | . 1 | 0 6 | 2,769 | 8 9 |
| 32" | 1,411 yards at | . 1 | 8 0 | 2,116 | 8 0 |
| 36" No. 4 | 699 yards at | . 1 | 8 0 | 1,098 | 8 0 |
| 48" No. 4 | 1,166 yards at | . 2 | 1 0 | 2,404 | 14 0 |
| 36" No. 5 | 595 yards at | . 1 | 5 6 | 799 | 8 6 |
| 48" No. 5 | 701 yards at | . 1 | 14 0 | 1,314 | 6 0 |

Linseed oil.

| | | 1924. | | | |
|-------------|-----------|-------|-----|-------|-----|
| 87 drums at | | 18 | 0 0 | 1,556 | 0 0 |
| 1925. | | | | | |
| 46 drums at | | 18 | 0 0 | 828 | 0 0 |
| 1926. | | | | | |
| 32 drums at | | 18 | 0 0 | 586 | 0 0 |

Paint.

| | | 1924. | | | |
|-------------|-----------|-------|-----|-----|-----|
| 24½ cwt. at | | 34 | 4 0 | 830 | 9 0 |

| 1925. | | | Excluding duty. | | |
|-------------------------------------|-----|-------|-----------------|-------|--|
| | Rs. | A. P. | Rs. | A. P. | |
| 21 $\frac{3}{4}$ cwt. at | 34 | 4 0 | 744 | 15 0 | |
| 1926. | | | | | |
| 15 $\frac{1}{2}$ cwt. at | 34 | 4 0 | 530 | 14 0 | |
| <i>Twine.</i> | | | | | |
| 1924. | | | | | |
| 1010 lbs. at | 1 | 10 0 | 1,655 | 14 0 | |
| 1925. | | | | | |
| 229 $\frac{1}{2}$ lbs. at | 1 | 10 0 | 372 | 15 0 | |
| <i>Yarn.</i> | | | | | |
| 1925. | | | | | |
| 51 bundles at | 9 | 0 0 | 459 | 0 0 | |
| 1926. | | | | | |
| 87 bundles at | 9 | 0 0 | 783 | 0 0 | |

(b) Working to full capacity the annual requirements of each of the materials enumerated in (a) would approximately be four times that required in 1926.

Cotton canvas.

11. (a)

The price of this article fluctuates to a certain extent. It is only since 1925 that we have been able to get this article from Bombay. The cost per yard of 24" wide canvas weighing from .90 to 1 lb. has been approximately between Re. 1-1-0 to Rs. 1-2-6 per yard delivered at our factory.

Cotton yarn.

(b) The price of this article also fluctuates within certain limits. The price per bundle of 10 lbs. of 10 $\frac{1}{2}$ s yarn is from Rs. 5 to Rs. 5-8, i.e., roughly 8 annas per lb. We are using the yarn made by the Burma Spinning and Weaving Co., Ltd., when available. The triple twisted twine manufactured out of it, costs approximately Rs. 1-12 per lb.

Linseed oil.

(c) Costs from Rs. 18 to Rs. 19 per 5 gallons. We pick slightly damaged lots at Rs. 12-4 per 5 gallons.

Red Oxide (Shalimar's).

(d) Costs about Rs. 36 per cwt. delivered at the factory.

Gums.

(e) We purchase in small lots as required locally.

Cotton canvas.

12. (a) Prices fluctuate, the c.i.f. prices were in 1924-25 as under:—

| | |
|-----|--------------------------------------|
| 32" | Rs. 1-9 to Rs. 1-12 per yard length. |
| 36" | Rs. 1-13. |
| 48" | Rs. 2-5 to Rs. 2-8. |

We purchased cheaply from Japan in 1926, when price of cotton had gone down:—

| | |
|-----|----------------|
| 36" | Rs. 1-8 c.i.f. |
| 48" | Rs. 2-1 c.i.f. |

Duty paid.

| | | | |
|-----|-------------|---------------|-----------|
| 13. | 1924. | 1925. | 1926. |
| | Rs. 1,996-3 | Rs. 1,238-4-6 | Rs. 987-4 |

Camel hair belting.

16. In India it is used—in Cotton and Jute Mills, Railway Workshops, Mines, Timber and Rice mills, Petroleum Works, Cement Factories, Match Factories, Paper Mills, Oil Mills, Sugar Mills, Wheat, Corn and Bone-grinding Mills, Iron and Steel Foundries, etc., and for all other drives requiring a belt of superioir quality. *Cotton Solid Woven Belting* is also used for the same purpose as Camel Hair Belting but it can be definitely stated that the best Solid Woven Cotton is not equal to the best Camel Hair Belting.

Canvas ply Belting of the quality we manufacture is generally used as a conveyor or elevator belting, in mines, mills, cement works, paper mills, etc., and for other light drives. We think, however, that a better quality belt of this type can be manufactured to serve as driving belts to supply the demand for cheap belting for light drives if conditions for industry were favourable.

17.

Rice mills.

| | Feet. | Rs. | A. | P. |
|----------------|----------------------|--------|----|----|
| 1924 | 13,782 $\frac{1}{2}$ | 37,618 | 14 | 9 |
| 1925 | 16,471 $\frac{1}{2}$ | 32,371 | 1 | 5 |
| 1926 | 15,895 | 26,616 | 10 | 0 |

Match Factory.

| | | | | |
|----------------|-------------------|-------|----|---|
| 1924 | 909 $\frac{1}{2}$ | 1,269 | 13 | 3 |
| 1925 | 243 $\frac{1}{2}$ | 96 | 13 | 6 |
| 1926 | 431 | 204 | 8 | 0 |

Mines.

| | | | | |
|----------------|-----|-------|----|---|
| 1924 | 236 | 640 | 0 | 0 |
| 1925 | 200 | 1,650 | 0 | 0 |
| 1926 | 626 | 3,728 | 14 | 0 |

21. The following is a comparative statement:—

| | 1924. | 1925. | 1926. |
|------------------------------------|--------|--------------------|-----------------------|
| Discount allowed on our price list | 15% | 22 $\frac{1}{2}$ % | 42% |
| Sale | 45,000 | 34,000 | 30,000 |
| Feet sold | 11,900 | 17,100 | 16,900=48,900 |
| Feet manufactured | 23,000 | 21,100 | 15,000=59,100 |
| | | | =10,000 feet Balance. |

Cost.

(a) The overhead charges per one nominal feet were as follows during the last three years :—

| | Average size of Belt made. | Overhead charges. |
|----------------|-------------------------------|----------------------|
| 1924 | 8×6 | 8½ annas. |
| 1925 | 8×6 | 7½ „ |
| 1926 | 9×6 | 6½ „ |

Actual working cost.

(b) So far as this item is concerned it has been possible to reduce the cost of labour since 1924 as a result of longer experience. We are afraid, however, that it would not be possible to reduce it any further.

There is no doubt that had the factory been working to its full capacity, the cost inch would be reduced by at least 25 per cent.

Imported belting.

23. We attach for your information a statement of imports into India and Burma of the different classes of Belting. We also attach a statement showing the prices at which different driving belts (leaving out cotton ply belting used for conveyor and elevator) are sold in Burma. We have placed against each the general discounts allowed to trade.

To get at the c.i.f. rates approximately the following charges have to be deducted from the net prices :—

| | Per cent. |
|--|-----------|
| Profit and charges of Agents | 30 |
| Duty | 2½ |
| Transport and Dues | 1½ |
| | <hr/> |
| | 34 |
| Say | 35 |

NOTE.—This table is private.

Reference to cotton ply belting. Imported.

The price of imported belting of this type is a fixed price in sterling—which we attach. Each manufacturer allows a discount according to the quality of the belting—these discounts range from 40 per cent. to 75 per cent. generally only the cheapest type is imported.

In 1924 the highest discount known to us was, 60 per cent.

In 1925 the highest discount known to us was, 70 per cent.

In 1926 the highest discount known to us was, 75 per cent.

In most cases the goods are imported direct by importers through London Houses, paying a commission of 2½ per cent. In most cases the price with discount are c.i.f. prices. But if the freight has to be paid it does not amount to more than 1 per cent.

Other charges are :—

| | Per cent. |
|--------------------------------------|-----------|
| Bank Charges and Insurance | ½ |
| Custom Duty | 2½ |
| Landing Charges | ½ |
| | <hr/> |
| | 3½ |

For easy reference we beg to give the following prices received from a large dealer, as his cost price in 1924 (extract from our diary 7th June 1924) and in 1926 and according to which we supplied him at the wholesale prices.

| | 1924. | 1925. | 1926. |
|---------------------|--------|-------|--------|
| 4"×4 ply | 0 9 0 | ... | 0 7 0 |
| 5"×5 ply | ... | ... | 0 11 0 |
| 6"×6 ply | 1 3 9 | ... | 1 0 0 |
| 6"×8 ply | ... | ... | 1 4 0 |
| 7"×6 ply | ... | ... | 1 2 0 |
| 7"×8 ply | ... | ... | ... |
| 8"×6 ply | 1 10 6 | ... | 1 6 0 |
| 8"×8 ply | 2 6 0 | ... | 1 11 0 |
| 9"×8 ply | 2 9 0 | ... | 1 14 0 |
| 10"×8 ply | ... | ... | 2 2 0 |
| 12"×8 ply | ... | ... | 2 9 0 |

(2) We have supplied to local wholesale purchasers with few variations at the above prices. If we could reduce our wholesale price below the foreign prices, we then would have a chance of working up a wholesale business.

So far as we can see, information as to the prices at which cotton ply and hair belting enters the country can be obtained from merchants carrying stock of such belting.

25. Ours being a private concern, the question of paying dividends does not arise. We may, however, state that our profits on this factory during the last three years, as accepted by the Income-Tax Officer were as under:—

(1926. Accounts have not yet been submitted to Income-Tax officers.)

| | Rs. |
|----------------|-------|
| 1924 | 9,845 |
| 1925 | 3,992 |
| 1926 | 1,424 |

26. From our reply to the previous question it will be clear that we are not expected to issue any Balance Sheet.

28. (b) It is to our mind a question of time, and of favourable conditions for this industry to thrive in, when the whole of the usual requirement of India will be supplied by her own factories. India has great advantages in this respect.

The Camel Hair Belting, is made up of Camel Hair and Cotton. Camel Hair is the hair of the Camel tribe, including dromedary camel, yak and lama but does not include horse-hair, sheep-hair, or goat-hair. It is imported solely from Siberia, through China Ports, the centre of trade being till lately London. But Germany is strongly bidding for the trade. In these centres the Camel Hair is selected into qualities, and spun into yarn. That yarn is imported by Belting manufacturers into India. The quality of the yarn depends on the admixture with similar looking hair of an inferior type which have less of elastic action. The spinning of the Camel Hair into yarn, is done by the same mills as spin Woollen Yarns.

We have all the facilities for importing the raw Camel Hair and get it spun into yarn in the woollen mills of India. We would thus reduce freight considerably. At the same time it would create a subsidiary industry for woollen mills.

The real Camel Hair Beltings are guaranteed to contain cent per cent Camel Hair, i.e., all the hair used is Camel Hair. In the cheaper types of Belting, looking very much like Camel Hair Belting, the hair used is a mixture of Camel Hair with Sheep Hair, Goat Hair, Jute, etc. All these are also

available in the country. Some action should be taken to prevent such cheap belting being called "Camel Hair Belting in the interest of the industry."

Rubber Belting is made of Cotton Duck and Rubber: in principle it is exactly the same as Cotton Ply Belting. The difference is that in rubber belting the plies are not stitched but vulcanised with rubber, and the outer covering of the belting has a slight rubber covering. America has a large industry in this type. In India Rubber and Cotton are both available. There is a large field for this industry in this country.

Balata Belting is just like a Rubber Belt, made of Canvas and Balata, a material similar to gutta percha but pliable.

Leather Belting.—Good cowhide and buffalo hide is available in India and Burma. The process of curing is somewhat different from the usual process. If a good type of leather belting is manufactured, there should be no difficulty for such a belting to replace foreign leather belting.

(b) In part (a) of this question we have explained that there is nothing intrinsically to militate against the cotton ply belting industry, as well as all the other types of beltings enumerated above thriving. All that is required is to give us breathing time to meet competition for five years and we are confident that so far as the requirements of Burma and India are concerned there would be met largely by the home products, as, if favourable conditions prevail, new works would spring up.

29. We do most decidedly consider the Belting Industry to be important on national grounds, and therefore deserve protection apart from economic conditions.

In every large industry "power" is the most important, and second comes the medium through which that power is transmitted to the machinery. In the largest majority of cases, the transmitter of power is Belting. Moreover in every machine-worked industry, the Belting Bill per annum is a costly item. By encouraging this industry in India, you will ensure the reduction of store charges of all the industries, and the bill for Belting remains in India.

Further, the next step of the Belting Factories must be to open out side lines. For instance water hose, nowar, lampwick, asbestos, and other packing of different types, brakelining, etc., are all generally worked as side lines by Belting Manufacturers in the West.



सत्यमेव जयते

FORM 1.

Statement showing total expenditure incurred on the production of cotton canvas ply belting in certain years.

| | 1923-24. | 1924-25. | 1925-26. |
|---|--------------------|--------------------|--------------------|
| | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| 1. Indian raw materials | 5,678 0 0 | 5,099 5 0 | 4,658 10 9 |
| 2. Imported raw materials with- out duty. | 14,702 1 6 | 10,241 8 0 | 7,733 12 6 |
| 3. Customs duty on imported materials. | 1,517 3 0 | 1,126 9 0 | 850 7 3 |
| 4. Labour | 2,366 13 9 | 2,421 15 6 | 1,835 10 9 |
| 5. Power and fuel | 357 2 9 | 440 4 3 | 470 6 0 |
| 6. Other expenditure | 18,153 11 3 | 9,963 1 6 | 5,946 0 0 |
| TOTAL | 42,875 0 3 | 29,292 11 3 | 21,494 15 9 |
| Total production of cotton can- vas ply belting. | 23,000 feet | 21,100 feet | 15,000 feet |

IMPORT OF BELTING INTO INDIA AND BURMA FROM 1921-22 TO 1925-26.

(a) Cotton Belting.

| Countries of consignment : also share of each province. | | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. |
|---|---|-----------|-----------|-----------|-----------|-----------|
| | | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom | . | 19,01,604 | 13,27,942 | 14,56,563 | 16,47,872 | 14,87,757 |
| Other British Possessions | . | 35,063 | 2,080 | 16,799 | 184 | 10,479 |
| Total British Empire | | 19,36,667 | 13,30,022 | 14,73,362 | 16,48,056 | 14,98,236 |
| Foreign Countries | . | 95,959 | 67,350 | 46,675 | 24,603 | 80,399 |
| Share of Bengal | . | 8,86,122 | 5,00,918 | 8,07,335 | 10,46,404 | 8,81,116 |
| " " Bombay | . | 2,60,752 | 2,14,508 | 2,41,914 | 2,00,284 | 2,08,906 |
| " " Sind | . | 32,811 | 8,837 | 10,973 | 15,646 | 13,360 |
| " " Madras | . | 35,646 | 1,29,802 | 1,12,971 | 63,274 | 74,935 |
| " " Burma | . | 8,17,325 | 5,43,247 | 3,46,844 | 3,47,051 | 4,00,258 |
| TOTAL | | 20,32,656 | 13,97,372 | 15,20,037 | 16,72,659 | 15,78,635 |

(b) *Leather Belting.*

| Countries of consignment : also share of each province. | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. |
|---|-----------|-----------|-----------|-----------|-----------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom | 46,46,753 | 33,48,000 | 36,23,721 | 33,04,121 | 24,00,257 |
| Other British Possessions | 16,053 | 40 | 157 | 3,539 | 13,583 |
| Total British Empire | 46,62,806 | 33,48,040 | 35,23,878 | 33,07,660 | 24,13,840 |
| Foreign Countries | 6,38,364 | 7,94,956 | 8,40,744 | 8,58,757 | 9,88,266 |
| Share of Bengal | 12,33,339 | 6,14,636 | 7,49,960 | 9,07,693 | 8,73,970 |
| " " Bombay | 34,89,022 | 31,73,648 | 32,05,874 | 28,88,593 | 22,06,404 |
| " " Sindh | 48,857 | 19,762 | 34,947 | 11,947 | 26,514 |
| " " Madras | 4,59,005 | 2,95,577 | 3,47,138 | 3,05,753 | 2,54,612 |
| " " Burma | 71,947 | 39,373 | 26,703 | 52,431 | 40,606 |
| Total | 53,02,170 | 41,42,996 | 43,64,622 | 41,66,417 | 34,02,106 |

(c) Belting made of other materials including Coir.

| Countries of consignment : also share of each province. | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. |
|---|----------------|-----------|-----------|-----------|-----------|
| | R- | Rs. | Rs. | Rs. | Rs. |
| United Kingdom | 2 ^c | 25,19,856 | 25,92,065 | 30,21,776 | 23,93,745 |
| Other British Possessions | 47,955 | 7,343 | 2,934 | 57,046 | 55,381 |
| Total British Empire | 23,25,275 | 25,27,199 | 25,94,999 | 30,78,822 | 24,49,126 |
| Germany | 77,997 | 1,50,445 | 2,13,770 | 3,77,711 | 5,570 |
| United States of America | 3,14,946 | 94,658 | 1,12,823 | 1,03,162 | 1,4621 |
| Other Foreign Countries | 35,054 | 6,986 | 6,235 | 35,594 | 1,586 |
| Total Foreign Countries | 4,27,997 | 2,52,089 | 3,32,828 | 5,16,467 | 7,91,777 |
| Share of Bengal | 8,08,538 | 9,10,543 | 9,73,235 | 12,10,775 | 11,36,282 |
| " " Bombay | 6,37,204 | 6,54,638 | 6,71,022 | 6,88,911 | 5,43,303 |
| " " Sind | 1,09,937 | 1,50,970 | 2,20,762 | 2,83,083 | 2,34,000 |
| " " Madras | 3,47,852 | 4,13,138 | 2,65,317 | 2,01,066 | 2,86,114 |
| " " Burma | 8,49,741 | 6,49,949 | 7,97,491 | 12,11,454 | 10,41,204 |
| TOTAL | 27,53,272 | 27,79,238 | 29,27,827 | 35,95,289 | 32,40,903 |

Total Import of belting of all kinds into India and Burma during the years 1921-22 to 1925-26.

| Countries of consignment; also share of each province. | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. |
|--|------------------|------------------|------------------|------------------|------------------|
| United Kingdom | Rs. 88,25,677 | Rs. 71,95,798 | Rs. 75,72,349 | Rs. 79,73,769 | Rs. 62,81,759 |
| Other British Possessions | 99,071 | 9,463 | 19,890 | 60,769 | 79,443 |
| Total British Empire | 89,24,748 | 72,05,261 | 75,92,239 | 80,34,538 | 63,61,202 |
| Germany | 1,02,285 | 2,19,822 | 2,79,211 | 5,10,231 | 7,19,054 |
| Netherlands | 62,640 | 40,165 | 25,241 | 36,083 | 41,171 |
| Belgium | 780 | 3,241 | 6,375 | 22,201 | 7,728 |
| Italy | 24,548 | 6,143 | 5,025 | 32,871 | 48,970 |
| Japan | 13,460 | 2,893 | .. | 1,03,746 | 1,19,001 |
| United States of America <i>via</i> Atlantic Coast | 8,77,829 | 8,33,255 | 8,95,423 | 6,37,928 | 8,45,446 |
| Pacific Coast | 50,525 | 3,302 | 4,756 | 10,745 | 62,426 |
| Other Foreign Countries | 31,888 | 5,524 | 4,216 | 26,022 | 16,646 |
| Total Foreign Countries | 11,63,350 | 11,14,345 | 12,20,247 | 13,99,827 | 18,80,442 |
| Share of Bengal | 29,27,999 | 20,26,097 | 25,30,530 | 31,64,872 | 28,91,368 |
| " " Bombay | 43,86,978 | 40,42,794 | 41,18,810 | 37,77,788 | 29,58,673 |
| " " Sind | 1,91,605 | 1,79,569 | 2,66,682 | 3,10,676 | 2,73,864 |
| " " Madras | 8,42,503 | 8,38,577 | 7,25,426 | 5,70,093 | 6,15,661 |
| " " Burma | 17,39,013 | 12,32,569 | 11,71,088 | 16,10,936 | 14,82,078 |
| TOTAL | 1,00,88,098 | 83,19,606 | 88,12,486 | 94,34,365 | 82,21,644 |

Comparative statement of import of Belting into Burma during the last ten years from 1916-17 to 1925-26.

| | 1916-17. | 1917-18. | 1918-19. | 1919-20. | 1920-21. |
|---|------------------|------------------|------------------|------------------|------------------|
| (a) Of Cotton | Rs. | Rs. | Rs. | Rs. | Rs. |
| (b) Of Leather | 13,070 | 12,647 | 58,280 | 55,262 | 93,645 |
| (c) Of Other Materials (including Coir) | 6,95,931 | 6,94,930 | 11,82,422 | 3,38,984 | 7,83,673 |
| TOTAL | 7,09,001 | 7,07,577 | 12,40,702 | 10,38,810 | 24,60,475 |
| | 1921-22. | 1922-23. | 1923-24. | 1924-25. | 1925-26. |
| (a) Of Cotton | Rs. | Rs. | Rs. | Rs. | Rs. |
| (b) Of Leather | 8,17,325 | 5,43,247 | 3,46,844 | 3,47,051 | 4,00,268 |
| (c) Of Other Materials (including Coir) | 71,947 | 39,373 | 26,703 | 52,431 | 40,606 |
| TOTAL | 8,49,741 | 6,49,949 | 7,97,491 | 12,11,454 | 10,41,204 |
| TOTAL | 17,39,013 | 12,32,569 | 11,71,038 | 16,10,936 | 14,82,078 |

(4) *Letter dated the 31st March 1927.*

Yesterday I was asked to give you the actual value and quantity of materials used in Form I. I submit the form accordingly.

STATEMENT.

Statement showing total expenditure incurred on the production of cotton canvas ply belting in certain years.

| | 1924. | 1925. | 1926. |
|--|------------|------------|------------|
| | Rs. | Rs. | Rs. |
| 1. Indian canvas | Nil | 4,778 | 2,769 |
| Other materials | 4,041 | 2,003 | 1,899 |
| 2. Imported raw materials without duty | 16,601 | 8,243 | 7,731 |
| 3. Customs duty on imported materials | 1,826 | 906 | 850 |
| 4. Labour | 2,366 | 2,421 | 1,835 |
| 5. Power and fuel | 357 | 440 | 470 |
| 6. Other expenditure | 18,163 | 9,963 | 5,943 |
| TOTAL | 43,344 | 28,754 | 21,500 |
| Total production of cotton canvas ply belting. | 23,000 ft. | 21,100 ft. | 15,000 ft. |

The quantities are mentioned in reply to question No. 10.

MESSRS. S. A. TYABJI & Co.

B.—OBAL.

Evidence of Mr. S. A. TYABJI, recorded at Rangoon, on Wednesday the 30th March, 1927.*Extent to which the Indian maker is handicapped by the various duties.**President.*—What is the exact difference that the duty makes to you?*Mr. Tyabji.*—It will make about 3½ per cent. of the cost of the manufactured article.*President.*—Is that the equivalent of the whole of the import duty? You have now a duty of 2½ per cent. on the imported belt.*Mr. Tyabji.*—There is a 2½ per cent. duty on belting.*President.*—But there is a duty of 11 per cent. on the materials.*Mr. Tyabji.*—The duty is 11½ per cent.*President.*—Really speaking you are not asking for a refund of the whole duty.*Mr. Tyabji.*—We are asking for that.*President.*—Let us take a concrete case. Suppose the price of the finished belt is Rs. 100. Then, it pays a duty of 2½ per cent. In that hundred rupees worth, your materials are about what per cent.?*Mr. Tyabji.*—I don't follow.*President.*—If we take the duty of 2½ per cent., you would be paying Rs. 2½ on Rs. 100.*Mr. Tyabji.*—Yes.*President.*—Supposing you were selling the same article for Rs. 100, how much duty would you have paid on the materials that you used in producing that finished article.*Mr. Tyabji.*—The proportion of all materials used comes to about 7½ per cent.*President.*—That is to say, you would have paid Rs. 7½.*Mr. Tyabji.*—Yes, on all materials.*Mr. Mathias.*—It will be just under 7 per cent.*Mr. Tyabji.*—No, it is about 7½ per cent.*President.*—What will be the value of the materials used in that hundred rupees worth of canvas belting?*Mr. Tyabji.*—It would be about 62 per cent. average.*President.*—Do you sell it by the yard?*Mr. Tyabji.*—By the foot.*President.*—A foot is a very small unit to take. Still, what is the c.i.f. price of one foot of canvas belting?*Mr. Tyabji.*—The cost of 9×8 size is Re. 1-14-0.*President.*—That is thirty annas.*Mr. Tyabji.*—Yes.*Mr. Mathias.*—Do you manufacture 9×8?*Mr. Tyabji.*—Yes.*Mr. Mathias.*—Could that be taken as typical.*Mr. Tyabji.*—Our average is 9×6.*Mr. Mathias.*—So that you have nothing to compare with the size of the imported article.

Mr. Tyabji.—As regards the average, it is not necessary that we should manufacture that particular size. What we do for an average is to find out exactly what was our average size over a particular period.

Mr. Mathias.—It is a mathematical average then.

Mr. Tyabji.—Yes.

Mr. Mathias.—Do you manufacture 9×8 ply?

Mr. Tyabji.—Yes.

President.—The cost of that is about thirty annas per foot.

Mr. Tyabji.—Yes.

President.—2½ per cent. on that is .75 of an anna. To make that one foot, how much canvas would you use?

Mr. Tyabji.—One rupee worth of canvas.

Dr. Matthai.—Is there any wastage? If so, what is the wastage?

Mr. Tyabji.—The wastage comes to 1 to 1½ per cent.

President.—On that rupee worth of canvas, you will be paying a duty of Re. .11 or 1.76 annas, at 11 per cent.

Mr. Tyabji.—Yes.

President.—So that your disadvantage is only one anna (1.76 minus .75).

Mr. Tyabji.—Yes.

President.—One anna is equal to 6½ per cent. On these figures, you are entitled to a refund of, say, 6½ per cent. out of 11 per cent.

Mr. Tyabji.—That is as regards materials only. But I want to point out that the price of canvas is not always the same. It fluctuates.

President.—Say 7 per cent. I am only trying now to measure your disadvantage.

Mr. Tyabji.—Then we have also to take into consideration the question of exchange.

President.—That is a different matter. It would affect the import price as well.

Amount of relief claimed.

Mr. Mathias.—You say in your replies to the questionnaire that your case is similar to the printer's ink case.

Mr. Tyabji.—Yes.

Mr. Mathias.—Am I right in thinking that you wish the Board to treat your application exactly in the same way as they treated the application for printer's ink?

Mr. Tyabji.—I do not know how the Board treated that. I only say that the conditions are similar.

Mr. Mathias.—You say "We are of opinion that our case is similar to that of the printing ink industry." In the Board's report on printer's ink, they treated it as entirely a question of tariff equality, that is to say, the imported article and the manufactured article should be placed on the same level and not as a question of protection. Let me put it this way. In the printer's ink report the Board decided that it would be equitable to place the imported printer's ink and the Indian manufactured printer's ink in the same relative position as though there was no duty charged on either. Do I understand that your case is on all fours with that? If we get a decision on that point, it may simplify our enquiry.

Mr. Tyabji.—Our position is that we would like to get whatever we can. If we cannot get protection, we would like to get some relief anyhow but we would like to get a little bit more than mere equality.

Mr. Mathias.—Am I to take that the portion of your evidence in which you stress the natural advantages and so on and say that in every respect this industry qualifies for protection or satisfies all the conditions laid down by the Fiscal Commission—am I to take it that that portion is not pressed?

Mr. Tyabji.—I would like to press it for the simple reason that I think belting is such an article that it ought to receive any help that the State can give because after all it is part of the machinery and it is considered as part of the machinery. We have advantages by which we can create a large belting industry in India. Therefore if there is some amount of protection, however small, it would help us.

Mr. Mathias.—So that when you say that the case is similar to the case of the printer's ink you do not necessarily wish to confine the enquiry to that aspect of the case.

Mr. Tyabji.—Not purely to that.

Qualification for protection.

Mr. Mathias.—Actually on the question of protection you say that all the materials except canvas are available in India. The materials required are cotton canvas, cotton yarn, linseed oil, red oxide and different kinds of gums. Of these, cotton canvas is largely imported.

Mr. Tyabji.—Yes. Cotton canvas of a width of over 24".

Mr. Mathias.—Cotton yarn constitutes a very small portion of your expense.

Mr. Tyabji.—Yes. Linseed oil is also a small item.

Mr. Mathias.—Apart from the advantage you claim for your raw materials, what are the other advantages that you claim? You talk of cheap power and labour. I take it that your labour is very small.

Mr. Tyabji.—Yes.

Mr. Mathias.—How many men do you employ?

Mr. Tyabji.—When we were working fully, we had about 10 men.

Mr. Mathias.—Now how many do you employ?

Mr. Tyabji.—We have about 4 men.

Mr. Mathias.—On the point of labour, if you would take your wages bill

Mr. Tyabji.—It was not exactly the wages bill that I had in my mind. When I said that labour was suitable I did not simply refer to the cheapness but to the fact that they were capable of working it.

Mr. Mathias.—Are they more capable in other countries? It is a very simple machine to work.

Mr. Tyabji.—It is not so easy as that. It takes about three months for a man to work one of these machines properly.

Mr. Mathias.—And as regards power?

Mr. Tyabji.—We have got a small engine.

Mr. Mathias.—You have no particular advantage as regards that.

Mr. Tyabji.—No, we are nearly as well off as others.

Mr. Mathias.—As regards the home market you say that you have got a very satisfactory home market.

Mr. Tyabji.—Yes.

Mr. Mathias.—Your production is also very small.

Mr. Tyabji.—At present, it is small. We are in this difficulty. If we wanted to increase the output, we could do so. But we could only rely on this production for sale in this country but we could increase it, if we had an export trade.

Mr. Mathias.—At present the production is small.

Mr. Tyabji.—Yes.

Mr. Mathias.—On the other hand you have certain disadvantages, have not you, as compared with manufacturers abroad because you have to import your stuff?

Mr. Tyabji.—For the present, yes.

Mr. Mathias.—You say that 9×8 is the average size of your belting. Apart from the canvas, is not linseed oil the most expensive raw material?

Mr. Tyabji.—Yes.

Mr. Mathias.—I think that you give the price of linseed oil as Rs. 18 to Rs. 19 for a 5 gallon drum. I think that Birkmyres also use linseed oil in their manufacture, and they quote Rs. 15 for a five gallon drum. Probably the freight makes the difference.

Mr. Tyabji.—Yes. The price of linseed oil is regulated by the freight, and middleman's profit has to be added.

Mr. Mathias.—Is it more expensive in England than it is in India?

Mr. Tyabji.—I do not know.

Mr. Mathias.—Do you use country-made linseed oil?

Mr. Tyabji.—We use Shalimar generally.

Mr. Mathias.—I notice that you sometimes get slightly damaged lots.

Mr. Tyabji.—Yes, we do sometimes get lots which are slightly discoloured for paint purposes, but that is only very occasional: we get only a few gallons at the rate for damaged lots and the reason why we have put it before the board is that we did not want later on to be told "you had in your books linseed oil which cost you Rs. 12-4-0, why did you not place it before us?" That is why we have placed it before you, but our price is Rs. 18.

Mr. Mathias.—Does it depend on the external price?

Mr. Tyabji.—I could not say.

Mr. Mathias.—As far as the use of linseed oil is concerned, you do not put in any claim for protection in that respect, do you?

Mr. Tyabji.—No.

Mr. Mathias.—Then, red oxide I suppose is an Indian product and the position in this respect is very much as linseed oil?

Mr. Tyabji.—Yes.

Market for cotton ply belting.

Mr. Mathias.—You have got no statement as regards cotton ply belting. In statement A submitted by you in answer to question 15 you give the imports into India of cotton belting. Have you any information as to the imports of cotton ply belting?

Mr. Tyabji.—I have worked it out at Rs. 1,50,000 from figures which I took out from the customs manifests. I worked them out under different importers' headings and then as I know the importers and the type of belting each import I allocated it. Supposing under a certain importer's head there was a certain amount of cotton belting, I knew that importer was importing cotton ply belting so I took that amount as cotton ply belting and in this way I arrived at the total import of cotton ply belting at Rs. 1,50,000 approximately.

Dr. Matthai.—That would be roughly how much in feet?

Mr. Tyabji.—75,000 feet approximately.

Dr. Matthai.—These are used entirely in rice mills?

Mr. Tyabji.—I am also supplying to some of the mines and to match factories.

Dr. Matthai.—You say certain importers import cotton belting. You know by experience whether an importer is importing cotton belting or cotton ply belting. Is it not quite possible that the same importer may import both kinds?

Mr. Tyabji.—Some might do it, but working as we have been doing for a considerable number of years in belting we know what our competitors are bringing out.

Mr. Mathias.—You take it as an approximate figure?

Mr. Tyabji.—Yes.

Mr. Mathias.—In answer to question 19 you say "A system of rebate of duties on the raw materials would we think go a long way in helping to establish an export market." Have you made any enquiries as to the possibility of export?

Mr. Tyabji.—Yes, I have.

Mr. Mathias.—Then you say "A large market for this type of belting" What would they be for?

Mr. Tyabji.—For rice mills, tin mines, etc.

Mr. Mathias.—Can you give us any idea as to what is the advantage which foreign belting has over Indian belting?

Mr. Tyabji.—Last time we enquired about it and at that time we could not compete at their price.

Mr. Mathias.—How much was the difference?

Mr. Tyabji.—About 5 per cent. or so.

Mr. Mathias.—Supposing you got 4 per cent. reduction in duty you will still be at a slight disadvantage.

Mr. Tyabji.—Since then we have been able to understand our work better and I think 3 per cent. on the total cost of belting would be enough to meet our charges and would enable us to compete with them.

Mr. Mathias.—What you claim then is that you would be able to export without incurring a loss and by increasing your production you would be able to reduce your overhead charges.

Mr. Tyabji.—Yes.

Mr. Mathias.—You have put in two representations and in the second one there is a statement which you want to be treated as confidential. It is a little difficult for us to examine you confidentially on this because if we make any recommendations we would like them to be supported by facts and figures. Would this statement really give away very much to your competitors?

Mr. Tyabji.—If these figures were published immediately, it would, but if they were published, say, a year after then things would change and it won't matter so much.

Mr. Mathias.—Probably by the time orders were passed. . . .

Mr. Tyabji.—I would tell you frankly that if it was a very large concern it would not hit it so hard as a small concern because after all these small concerns can be taken advantage of very easily by the buyers of our products than they could do in the case of concern producing belting on a large scale.

Dr. Matthai.—If we gave you general protection, not merely this relief, is not there a great danger in the case of an industry which is so small as this that there will be overproduction? The moment you say the State is going to protect the industry, you are up against internal competition because other people will take advantage of it.

Mr. Tyabji.—That is so. If the 11 per cent. duty was removed we would be quite satisfied.

Dr. Matthai.—You have not so far exported any belting to the Malaya States?

Mr. Tyabji.—No.

Dr. Matthai.—Is there a fairly big demand in the Malaya States?

Mr. Tyabji.—Yes.

Dr. Matthai.—I find from Messrs. Birkmyre's representation that in Bengal the demand for cotton ply belting is not more than 5,000 feet a year.

Mr. Tyabji.—Bengal, of course, is not a rice milling country to a large extent. It is only in connection with rice mills or mines that we sell this belting. Coal mines do not take these, but tin mines use a lot.

Dr. Matthai.—They are used in mines where the loads are lighter, is that it?

Mr. Tyabji.—They are used for loads which are not so bulky as in coal mines. For instance, a large number of conveyors are used by the Burma mines.

Dr. Matthai.—Do they use these in the match factories?

Mr. Tyabji.—Yes.

Dr. Matthai.—Have you made any enquiries as to the present selling prices in Malaya? Would you be able to compete there?

Mr. Tyabji.—I think at the present time understanding the business better than we did last year we would be able to do something.

Mr. Mathias.—If I ask you any question the answer to which you would like to be treated as confidential, will you bring it to our notice so that we could arrange to keep it as such?

Mr. Tyabji.—Thank you.

Mr. Mathias.—Can other kinds of belting be used as a substitute for this cotton ply belting? What is its particular advantage over other kinds of belting?

Mr. Tyabji.—Its advantage for one thing is cheapness. I don't know that there is any belting made which would compete with it in price. For the purpose that it is used, this particular type of belting has been found very suitable and durable.

Mr. Mathias.—I would like to ask you a question about the overhead charges (Form I). In your expenditure for 1923-24 "Other expenditure" came to Rs. 18,000. That is rather high?

Mr. Tyabji.—In 1923-24 we transferred our factory and I think this Rs. 18,000 includes some portion of the cost of that transfer.

Mr. Mathias.—In 1926 your overhead charges come to 6 annas 3 pies. Is that per foot?

Mr. Tyabji.—Yes.

Mr. Mathias.—Isn't that very high?

Mr. Tyabji.—It is high.

Mr. Mathias.—What does your "overhead charges" include?

Mr. Tyabji.—Rent, Superintendent's salary, insurance, commission and interest, to a certain extent.

Mr. Mathias.—Interest on what?

Mr. Tyabji.—During the slack season when we have to simply work and stock the goods, it sometimes becomes necessary to borrow money for carrying on the business.

Mr. Mathias.—That is working capital I suppose?

Mr. Tyabji.—Yes.

Production, Costs.

Mr. Mathias.—What was your outturn in 1926?

Mr. Tyabji.—16,000 feet.

Mr. Mathias.—On that the overhead charges came to about Rs. 8,000?

Mr. Tyabji.—That was for the average size.

Mr. Mathias.—Is it not excessive? What is the capital involved?

Mr. Tyabji.—Rs. 35,000.

Dr. Matthai.—Does that include the whole of your machinery and plant?

Mr. Tyabji.—Yes.

Dr. Matthai.—Also working capital?

Mr. Tyabji.—Everything included. Working capital would be about Rs. 25,000; machinery and other things about Rs. 10,000.

Dr. Matthai.—Does not that seem very heavy? That includes depreciation, I suppose, interest on working capital and anything else? Does it include superintendence?

Mr. Tyabji.—Rent is also included and then insurance, but that is not very much, also superintendence.

Mr. Mathias.—How much is that?

Mr. Tyabji.—It comes to about 5 per cent.

President.—And rent?

Mr. Tyabji.—Rs. 120 a month.

Mr. Mathias.—Are salaries included in it?

Mr. Tyabji.—That includes the salary of the Superintendent.

Mr. Mathias.—What does he get?

Mr. Tyabji.—Rs. 75.

Mr. Mathias.—In 1926 you have produced 15,455 feet of cotton ply belting. According to your statement here in 1926 the overhead charge is As. 6-3. That comes to Rs. 6,000 or Rs. 7,000. Is not that very high?

Mr. Tyabji.—We cannot reduce that. If we could, we would be glad to do so.

Mr. Mathias.—What is the salary of the Manager?

Mr. Tyabji.—Rs. 75.

Mr. Mathias.—Rs. 120 for rent.

Mr. Tyabji.—Yes.

Mr. Mathias.—And insurance.

Mr. Tyabji.—Rs. 12 a month.

Mr. Mathias.—Depreciation.

Mr. Tyabji.—10 per cent. on Rs. 10,000.

Mr. Mathias.—About Rs. 1,000 a year.

Mr. Tyabji.—Yes.

Mr. Mathias.—And working capital.

Mr. Tyabji.—Rs. 25,000.

Mr. Mathias.—Interest on that will be 12 per cent.

Mr. Tyabji.—There is a very big depreciation in the cut lengths that are left behind. That is if we have one roll of 400 ft. and if we cut it up—we have to sell retail also—and supposing a piece of 20' remains, we have got to depreciate that by at least 50 per cent.

Mr. Mathias.—In your answer to question 10 (a) you give a statement regarding canvas which doesn't seem to agree with Form I. Is there any explanation? In the former case the total comes to Rs. 16,000, whereas in the latter case you have given the cost of imported raw materials as Rs. 14,700. Why is there a difference?

Mr. Tyabji.—One figure shows what we have imported and the other what we have used. It was not necessary for us to utilise all that we imported in one particular year.

Mr. Mathias.—You carry it on possibly to the next year

Mr. Tyabji.—Yes.

Mr. Mathias.—So that actually you may have paid Customs duty on Rs. 14,700 worth of imported raw materials part of which was used in that year.

Mr. Tyabji.—Yes.

Mr. Mathias.—Could you say how much?

Mr. Tyabji.—You will find a reply to that in our answer to question 21, page 5.

Mr. Mathias.—The feet manufactured in 1924-25 seems to correspond. In this case you say that the raw material has been carried on to next year.

Mr. Tyabji.—In the same way that we could not possibly get the exact required quantity and utilise that quantity in full in that very year. In every business a certain amount of stock would be carried over.

Mr. Mathias.—You are giving the President a statement of the amount of duty you pay per foot. How would you calculate that?

Mr. Tyabji.—If we wanted to work it out, we could do it very easily by finding the amount of canvas we have utilised.

Mr. Mathias.—There is nothing in your replies which indicates that. Could you give your figures showing the amount of canvas used in each year?

Mr. Tyabji.—Yes.

Mr. Mathias.—As a matter of fact the duty remained constant.

Mr. Tyabji.—Yes.

Mr. Mathias.—In 1923-24, 1924-25 and 1925-26 the duty remained at 11 per cent.

Mr. Tyabji.—Yes.

Mr. Mathias.—Could you give us the total amount of canvas used in these 3 years, by to-morrow?

Mr. Tyabji.—I will try; it is rather a big job.

President.—What does it matter if anybody knew that you manufacture so many feet?

Mr. Tyabji.—If it is published later on, I don't mind.

Mr. Mathias.—In answer to question 10 (a) you have given a statement regarding canvas. Is that what you have actually used? If that is so, I don't understand why it differs from Form I. What does Form I represent then?

Mr. Tyabji.—Form I represents the imported raw materials.

Mr. Mathias.—Not necessarily used, but imported in the year.

Mr. Tyabji.—Quite.

Mr. Mathias.—Could you bring this form corrected so as to show the amount used throughout?

Mr. Tyabji.—Yes.

Dr. Matthai.—You can work it approximately taking this typical product 9x8.

Mr. Tyabji.—I will do my best.

Mr. Mathias.—Form I shows the Indian raw materials purchased and the other raw materials imported in the year, is that correct?

Mr. Tyabji.—Indian raw materials purchased and imported raw materials purchased and not necessarily used.

Mr. Mathias.—Customs duty on imported material.

Mr. Tyabji.—Yes.

Mr. Mathias.—Labour.

Mr. Tyabji.—Wages paid.

Mr. Mathias.—Power and fuel will be the same and the other expenses would be overhead and the cost of removing the factory in the first year.

Mr. Tyabji.—Yes, in the year 1923-24.

Discount on sales.

Dr. Matthai.—I want you to tell me about your discount. You gave us the import price of 9x8 as Re. 1-14-0.

Mr. Tyabji.—Yes.

Dr. Matthai.—When you make belting of that kind, what is the price that you realise?—Do you get the whole import price or do you get something less?

Mr. Tyabji.—We get always just about that. I am talking of the whole-sale price.

Dr. Matthai.—Do the importers give discount?

Mr. Tyabji.—Yes.

Dr. Matthai.—You give a figure of Re. 1-14-0. Where did you get this figure from? Is that a standard quotation or is that the price at which transactions are made?

Mr. Tyabji.—That is the nett cost to the importer.

Dr. Matthai.—Allowing for the discount.

Mr. Tyabji.—Yes.

Dr. Matthai.—In point of quality do your customers make any difference between your product and the imported product?

Mr. Tyabji.—Not now.

Dr. Matthai.—Where do the imported belts mostly come from?

Mr. Tyabji.—From England and Germany.

Dr. Matthai.—Do you get equal quantities from both England and Germany?

Mr. Tyabji.—No, more from England than from Germany.

Dr. Matthai.—This list of prices that you have given, is that including the discount?

Mr. Tyabji.—No. On this discount is given.

Dr. Matthai.—I find that your overhead charges come down from 8½ annas to 6½ annas and during the time there has been a considerable reduction in your output in 1926 as compared with 1925.

Mr. Tyabji.—Yes.

Dr. Matthai.—And your overhead charges have come down correspondingly. How is that?

Mr. Tyabji.—For one thing we have cut down a lot of our expenses. Whatever seemed to us to be useless, we have cut out. In 1925 we kept a large number of men for quite a long time. But in 1926 we reduced that.

Dr. Matthai.—You reduced the amount of labour.

Mr. Tyabji.—Yes, and consequently other overhead charges. We have reduced the amount of interest.

Mr. Mathias.—In Form I, would you give the imported raw materials as well as Indian materials in feet?

Mr. Tyabji.—Yes.

Mr. Mathias.—You told the President that in the cost of imported belting of Re. 1-14-0, one rupee would represent the value of the canvas.

Mr. Tyabji.—Yes.

Mr. Mathias.—That is rather more than half the value.

Mr. Tyabji.—Yes.

Mr. Mathias.—According to this statement canvas would appear to be rather less than a third. In the year 1923-24, Rs. 14,000 was roughly the cost of the imported canvas and Rs. 42,000 the cost of production, which is just a third. Next year, you have given Rs. 10,000 as the cost of the imported raw materials and Rs. 29,000 as the total cost of production.

Mr. Tyabji.—In 1923-24, it is nearly Rs. 20,000 because you have to take (1), (2) and (3) together.

Mr. Mathias.—The President was asking you what was the cost of the imported canvas in one foot of 9×8 size?

Mr. Tyabji.—In 9×8 we use all imported canvas. It would be slightly more.

Mr. Mathias.—It does not seem to agree with these figures.

Mr. Tyabji.—If you take (2) and (3), you will get about Rs. 16,000. A portion of (1) which is Indian canvas has also to be taken into account. When

you calculate the whole lot you would have to include that also to see what was the proportion of the canvas to the whole lot. The calculation is very simple. You have 72 inches broad of canvas in 9x8. The price of canvas is about Re. 1-8-0 per yard. So, it comes to Rs. 3. If you divide that by three, you get Re. 1 a foot.

Dr. Matthai.—The import price on which the duty would be calculated is the standard price, less the discount?

Mr. Tyabji.—The price on which the duty would be calculated would be the gross price less the discount.

Dr. Matthai.—Is that how the Customs people do it?

Mr. Tyabji.—Yes, that is the invoice net price.

Dr. Matthai.—The discount is not allowed after the thing is landed by the wholesaler here?

Mr. Tyabji.—That is the manufacturer's discount. Manufacturers themselves give 75 per cent.

President.—The prices given in the list, are they your prices?

Mr. Tyabji.—Yes.

Dr. Matthai.—They don't correspond.

Mr. Tyabji.—No. I have my own price list. The English price list is different.

Dr. Matthai.—It will make a great deal of difference in our estimate of the relief that you require if the duty on the finished article is calculated on the standard price.

Mr. Tyabji.—It would be very much to my advantage.

President.—It would be very much to your disadvantage.

Mr. Tyabji.—Why? The calculation of the duty is on the net price.

Mr. Mathias.—On the standard price?

Mr. Tyabji.—Yes, less discount because the invoice shows that.

Dr. Matthai.—Is there another discount allowed by the wholesaler on the imported article besides the manufacturer's discount?

Mr. Tyabji.—Yes, they do sometimes like this. Suppose they arrive, for instance, at one rupee as the net price, after deducting the manufacturer's discount, then they raise it by 25 or 30 per cent. and then give a discount of 45 or 20 per cent.

Dr. Matthai.—As far as 9x8 is concerned, Re. 1-14-0 is the invoice price.

Mr. Tyabji.—Yes.

Mr. Mathias.—That is the net price.

Mr. Tyabji.—Yes.

Mr. Mathias.—Are all the other prices net?

Mr. Tyabji.—Yes.

President.—What is the idea of giving such discount?

Mr. Tyabji.—It gives more chance for the manipulation of the prices by the importer.

Mr. Mathias.—The price of 9x8 size is Rs. 3-6-0. Less 42 per cent., it comes to Re. 1-15-0 as against Re. 1-14-0.

Mr. Tyabji.—Yes, we have also actually sold at Rs. 1-14-0.

Mr. Mathias.—Notwithstanding your 42 per cent. discount.

Mr. Tyabji.—Yes.

Mr. Mathias.—Do you deal with retailers?

Mr. Tyabji.—Very little. We have not in one or two cases but in several cases had to increase the discount by another 2 per cent., thus bringing it to 45 per cent.

President.—In the price list, there is no mention of the discount.

Mr. Tyabji.—It will be mentioned in the letter.

President.—The idea is that when the manufacturer publishes his catalogue, it is supplied to the importer.

Mr. Tyabji.—Yes.

President.—The buyer goes and says “ what is the price?” The man says “ This is the catalogue price which is Rs. 3-6-0. I will give 25 per cent. discount ” whereas he himself may have got 50 per cent. discount. The purchaser does not really know what the actual price is from the catalogue.

Mr. Tyabji.—That is so.



सत्यमेव जयते

BENGAL TANNERIES, LIMITED.

(1) *Representation, dated the 23rd July 1923, to the Government of India, Commerce Department, Simla.*

We have been in correspondence with the Collector of Customs, Calcutta, regarding the import duty on belting cement, who has advised us to address you direct on this matter, and we therefore have the honour to submit copies of the correspondence which has passed between us.

The assessment of import duty at 15 per cent. *ad valorem* on this material, which is used by us in the manufacture of leather belting, naturally puts us, as manufacturers, to a very serious disadvantage, when the duty on imported leather belting is 2½ per cent. *ad valorem* only.

We would, therefore, request you to kindly give the matter your consideration and acquaint us with your decision on this point.

Enclosure I.

Copy of letter No. 7-T. 66-23, dated the 30th June 1923, from Bengal Tanneries, Limited, to the Collector of Customs, Calcutta.

We have the honour to state that the import duty on belting cement is assessed at 15 per cent. *ad valorem* whereas leather belting in the manufacture of which belting cement is of course used, is only liable to a duty of 2½ per cent.

It would appear to us, that either the duty on the cement should be reduced to 2½ per cent. or that on belting raised to 15 per cent. and we would request you to kindly give the matter your consideration, and acquaint us with your decision on this point.

Enclosure II.

Copy of letter No. G. A.-2409, dated the 9th July 1923, from the Assistant Collector of Customs for Appraisement, Customs House, Calcutta, to Messrs. Graham & Co., Managing Agents, Bengal Tanneries, Limited, Calcutta.

With reference to your letter No. 7-T. 66-23, dated the 30th ultimo, I have the honour to request you to let me know for what purpose the belting cement imported by you is used.

Enclosure III.

Copy of letter No. 9-T. 66-23, dated the 15th July 1923, from Bengal Tanneries, Limited, to the Assistant Collector of Customs for Appraisement, Customs House, Calcutta.

In reply to your No. G. A.-2409 of the 9th instant, we have the honour to state that belting cement imported by us is used in the manufacture of double belting, i.e., for sticking the layers together.

Enclosure IV.

Copy of letter No. G. A.-2635, dated the 18th/19th July 1923, from the Assistant Collector of Customs for Appraisement, Customs House, Calcutta, to Messrs. Graham & Co., Managing Agents, Bengal Tanneries, Ltd.

With reference to the correspondence ending with your letter No. 9-T. 66-23, dated the 13th instant, I have the honour to inform you under the

Collector's instructions, that the case is not for his consideration; rates of duty have been fixed by the Legislature and can be altered by the Executive orders of the Government of India only. You are therefore advised to address the Secretary to the Government of India in the Commerce Department direct.

(2) Representation, dated 27th April 1925, from Bengal Tanneries, Limited, Calcutta, to the Tariff Board.

With reference to the Resolution No. 38-T. (2), dated the 28th ultimo, we have the honour to bring to your notice the following further inconsistencies:—

| Present import duty on manufactured article. | Import duty of materials for manufacture. |
|--|--|
| Leather Belting—2½ per cent. <i>ad val.</i> | Belting Butts (for manufacture of belting)—15 per cent. <i>ad val.</i> |
| Pump Buckets (above 4" in external diameter)—2½ per cent. <i>ad val.</i> | Pump Hides—15 per cent. <i>ad val.</i> |
| Hydraulic Rings for cylinders (over 3" diameter)—2½ per cent. <i>ad val.</i> | Leather for manufacture of Hydraulic Rings—15 per cent. <i>ad val.</i> |

We shall be glad if these matters are also considered by the Tariff Board.



सत्यमेव जयते

EUREKA BELTING WORKS, LIMITED.

(1) *Representation, dated 7th March 1924, to the Government of India,
Department of Commerce, Delhi.*

I have the honour to approach you with the following facts for your kind consideration and help us with your mighty hands.

1. We started the above factory in 1922 for the manufacture of hair belting. We are, however, running the concern any way with heavy losses. We have to import the raw materials, *viz.*, the camel hair yarn from Lancashire Mills to manufacture belting, on which we pay an import duty of 15 per cent. as the raw yarn is not available in this country. On the other hand the finished products, *viz.*, the hair belting that is imported from the Continent and Germany and other countries in Europe are imported into this country with a duty of $2\frac{1}{2}$ per cent. only.

India imports belting per year worth about 50 lakhs of rupees, whereas our production per year is at present to 12 lakhs per annum.

Now I beg most respectfully to say that as this is an indigenous industry and as the same is still in its infant state it is quite unable to compete with the foreign imports of the kind due to the duty imposed on the raw material for its products, and the concern is consequently running at a loss. I do not ask your favor to reduce the duty on the camel hair yarn, but it will be a great help to this infant industry if you can save it by imposing the same duty, *viz.*, 15 per cent. on imported hair belting, what we are at present paying on camel hair yarn, and this will help us a great deal to introduce our products in the market along with the imported belts without fear of heavy losses.

On the other hand if you do not help us in this matter we are afraid this concern can no longer carry on its business at a loss and may in the near future collapse which I hope is not at all desirable to anybody; so I do earnestly pray that you will be kind enough to look into this matter carefully and save this factory from its ultimate ruin for which we shall ever remain grateful.

P. S.—We enclose herewith a copy of Government Test Report of "Yorke Hair Belting" manufactured by us.

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GOVERNMENT OF INDIA.

GOVERNMENT TEST HOUSE, ALIPORE, CALCUTTA.

Test Certificate.

No. 1655-M., dated 25th February 1924.

Requested personally on the 18th February 1924 by a representative of Messrs. Yorke and Company, Howrah.
Register No. 456-P. C., dated the 18th February 1924.

Test No. 188.

Date of Test—the 23rd February 1924.

REPORT.

A sample of 3" Yorke hair belting.

| Description. | Breadth in inches. | Thickness in inches. | Test length in inches. | Cross sectional area in sq. inches. | Load increments in tons. | BREAKING LOAD. | | EXTENSION. | | REMARKS. |
|-----------------------|--------------------|----------------------|------------------------|-------------------------------------|--------------------------|----------------|--------------------|---------------------------------|----------------------------------|---|
| | | | | | | Total in tons. | Tons per sq. inch. | At different loads (in inches). | Percentage Extension. | |
| 3" Yorke Hair Belting | 3.02 | 0.23 | 24.0 | 0.85 | 0 0.5 1.0 1.5 | 1.93 | 2.27 | 0 1.3 2.8 7.5 10.2 | 0 5.4 11.7 31.3 42.5 | Broke at one end of the test length with a permanent extension set of 6.8 %. The sample is, in my opinion, of good quality. |

No. 8147, dated Alipore, Calcutta, the 26th February 1924.

Forwarded to Messrs. Yorke and Company, 18, Gran l Tank Road, Howrah, for information.

(2) *Further representation, dated 23rd May 1924, to the Government of India, Department of Commerce, Delhi.*

In continuation of my letter, dated 7th March 1924, and in reference to your letter No. 234 (T. 3), dated 13th March regarding the protection of our factory by some means of protective duty, as we are working at a disadvantage by having to pay 15 per cent. more import duty on our raw materials imported from England whereas the finished hair belting pays a duty of 2½ per cent. only. As also Germany has dumped the market with hair belting to such an extent that we are not in the least in a position, working under above disadvantages, to compete in the market for the sale of our products.

In this connection we wrote to the Secretary, Tariff Board, Simla, copy of the letter is enclosed herewith.

Now to save this indigenous industry for manufacturing hair belting, we earnestly pray that you will please have your kind attention and careful consideration in this matter at an early date as we are running at a considerable loss at present.

Copy of letter, dated 23rd May 1925, from Eureka Belting Works, Limited, Salkia, to the Secretary, Tariff Board, Simla.

We beg to bring the following for your kind consideration:—

1. That we manufacture hair belting a most necessary equipment in all industries, where power is used.
2. That our present annual output is worth Rupees Six lakhs only, and our maximum capacity is nearly fifteen lakhs.
3. That the ingredient hair yarn out of which the belting is woven is imported from England pays an import duty of 15 per cent.
4. That the finished hair belting pays a duty of 2½ per cent. only.
5. The indigenous hair belting thus works at a disadvantage by having to pay 10 per cent. more import duty.
6. The heavier import duty on raw material than on the imported finished product is contrary to the existing policy of the Government, and is a serious obstacle to the life and growth of any indigenous industry.
7. India imported hair belting to the extent of sixty lakhs of rupees in 1922 which is gradually increasing every year.
8. We want a reduction of duty on the raw material, i.e., hair yarn to 2½ per cent. and a protective duty of 33 per cent. on the imported belting.
9. That a number of Continental exporters takes advantage of this discriminating duty, and thus unfairly injures the market of the indigenous product.
10. The efficiency and the superior lasting quality of hair belting as well as its comparative cheap facilities its ever increasing use in almost all the power industries and thus it is fast replacing its leather and cotton substitutes.
11. The growth of power industries in India, will afford large scope for the use and manufacture of hair belting, as this forms the costliest item in the stores supply of all the power industries. It enjoys an unfair immunity against the import duty by coming under the category of power machineries, which should for the good of the indigenous manufactures be classed with the textiles.

We pray, that this industry with such a bright future and of national importance, be given adequate protection, thereby ensuring bread of thousands of Indian wage earners, for which they will ever remain grateful.

(3) *Further representation, dated 26th August 1924, to the Commerce Department, Government of India, Simla.*

With reference to our prayer for protection on Indian manufactured hair belting addressed to your goodness on 7th March and 23rd May 1924, for

which we were favored with a reply under your letter No. 234 (T. 3), dated 13th March and 26th May 1924, stating that you are considering what particular industries are to be remitted to the Tariff Board for examination and necessary protection.

But we regret to remind you that up till now we have not been favored with any reply intimating at which stage of enquiry our particular industry now stands.

Further for your information we give below a statement showing the amount in rupees for hair belting (under heading other material including coir) imported into India through different ports during the last three years.

| 1920-21. | 1921-22. | 1922-23. |
|---------------|---------------|---------------|
| Rs. 44,81,210 | Rs. 27,53,272 | Rs. 27,79,238 |

In this connection we again beg to remind you the unfair position of our industry due to the fact that the imported hair belting pays a nominal duty of 2½ per cent. (*vide* import customs tariff item No. III 87-4), while the raw materials necessary to manufacture hair belting in India pays a heavy import duty of 15 per cent.

Over and above the Continual increase in imported continental belting, has put our industry to a most disadvantageous position, having dumped the market to a great extent by taking advantage of this discriminating duties.

We beg to point out here that if we are given a fair chance we can increase our production worth about fifteen lakhs of rupees a year which will meet nearly 50 per cent. of India's requirements.

We further pray before you to reduce the import duty on raw material to 2½ per cent. and a protective duty of 33 per cent. on imported hair belting.

Now we pray that you will be kind enough to save this indigenous industry for manufacturing hair belting as we are at present running our works at a considerable loss and unless you will have your immediate attention and consideration in this matter we are afraid we shall have to come to grief with its consequences.

Trusting this matter will have your immediate attention and careful consideration.

(4) *Further representation, dated 11th September 1924, to the Commerce Department, Government of India, Simla.*

We have the honour to draw your attention to your letter dated 26th August 1924, regarding our prayer for the protection of our industry.

We have not as yet heard anything from you or from the Tariff Board, at what stage our industry now stands.

We beg to point out again that our factory is working under a very disadvantageous stage and unless we are given certain protection or consideration it would be practically impossible for us to run our concern.

We earnestly pray that you will be kind enough to have your immediate attention to our prayer.

THE BENGAL BELTING WORKS, LIMITED, CALCUTTA.

Letter No. B/061, dated the 5th May 1927.

Believing from the evidence given by Mr. Kay of the Birkmyre Brothers, before the Tariff Board, as appeared in the daily papers, that an enquiry is being held in the manufacture of Belting Industry in this country, we feel justified, although not invited, to present before you our views regarding the above industry as we are the only manufacturers in India, making hair and cotton belting under exclusively Indian management and with Indian capital and labour.

It is just over a year that we purchased the plants, machineries of the Eureka Belting Works, Limited (in Liquidation) in an auction sale and has started manufacturing Hair and Cotton belting. As it took some time to get the hair yarns from Bradford, England, we could manufacture only 60,000 feet of different sizes of hair belting and 6,000 feet of Cotton belting. We can manufacture, when working to full capacity about 3,00,000 feet of belting. We also manufactured in that period about one hundred thousand feet of hose pipe to keep our factory as far as possible fully employed. We have found out that in this competitive market, we had to sell belting throughout at a loss, and although we could make a decent profit in hose pipe, our total sale has incurred a systematic loss month after month.

To our knowledge, the only other firm that manufactures belting on large scale is Messrs. Birkmyre Brothers, and the total quantity of hair and cotton belting manufactured in India is worth about 8 lakhs and 3 lakhs of rupees respectively.

In the manufacture of hair belting, three raw materials are necessary, out of which hair yarn is imported from England and the rest is locally secured. The following is the proportion required per inch per foot for the manufacture of hair belting:—

| | | |
|-------------|-----------|----------|
| Hair yarn | | 1.07 oz. |
| Cotton yarn | | .85 oz. |
| Paint | | .55 oz. |

Our annual requirements of each of this raw material is for the manufacture of hair belting:—

| | | |
|-------------|-----------|-------------|
| Hair yarn | | 38,780 lbs. |
| Cotton yarn | | 30,812 lbs. |
| Paint | | 20 tons. |

If worked to the full capacity:—

| | | |
|-------------|-----------|-------------|
| Hair yarn | | 80,000 lbs. |
| Cotton yarn | | 62,000 lbs. |
| Paint | | 20 tons. |

The raw materials produced in India are purchased at the following price:—

Cotton yarn Rs. -/13/6 per lb.

Paint Rs. 25 per cwt.

The average cost of one pound of hair yarn as imported from England is as follows:—

| | Rs. a. p. |
|-------------------------------|----------------|
| (a) C.I.F. price of hair yarn | 1 15 6 |
| (b) Landing charges | 0 0 .5 |
| (c) Duty | 0 4 9 |
| (d) Transport | 0 0 1 |
| TOTAL | 2 4 4.5 |

The import custom duty on hair yarn is 15 per cent.

Calculating the price of the raw materials at the above prices, the amount paid on the custom duty of the hair yarn is about 10 per cent. The total annual demand for hair and cotton belting is about Rs. 38 lakhs and Rs. 18 lakhs respectively.

In textile industries like Jute and Cotton mills in spinning and weaving, in oil mills, in timber mills, in tea gardens, in railways and everywhere, where transfer of power is needed belting is used.

We have supplied in the last seven months about 50,000 feet of hair and cotton belting to the following industries with the following approximate value:—

| | Feet. | Rs. |
|----------------------------|---------------|---------------|
| Textile industry | 16,000 | 16,000 |
| Tea Gardens | 9,000 | 11,000 |
| Oil Mills | 14,000 | 13,500 |
| Miscellaneous | 11,000 | 10,500 |
| TOTAL | 50,000 | 51,000 |

The raw materials, hair yarn, etc., required in the manufacture of belting pays a custom duty of 15 per cent., while hair belting pays an import duty of 2½ per cent. It is, therefore, essentially necessary that the duty on raw material should be reduced to 2½ per cent. so that it may be in a position to compete with the imported belting, and this will give the industry a fair and impartial field to struggle and live. Total remission of import duty might enable the industry to establish itself in the markets outside India.

Statement showing works cost per 100 feet of 4-inch size hair belting:—

| | As. |
|--|---------------------|
| 1. Indian raw material | 356·0 |
| 2. Imported raw material | 963·0 |
| 3. Customs duty on imported raw material | 144·5 |
| 4. Labour | 91·4 |
| 5. Power and fuel | 22·8 |
| 6. Other expenses | 85·8 |
| TOTAL | Rs. 103·15·6 |

Although, we did not manufacture sufficient belting to keep our machines fully occupied, but we manufactured enough Canvas hose pipe to keep them working to its full capacity, consequently the items for labour, power and fuel and establishment did not suffer for under production, and, therefore, the loss we incurred must be attributed to the high cost of imported raw material, whose cost forms nearly 70 per cent. of the total works cost. Consequently an import duty of 15 per cent. on this raw material enhances the works cost by at least 10·5 per cent.

Great Britain exports to India about 25 lakhs of rupees worth of hair belting and Germany and America together about Rs. 7 lakhs. India is essentially a market for cheap goods. The competition is keenest with German, American and some low standard British belting. We give below the c.i.f. price of 4" imported hair belting, customs duty and landing charges:—

| | d. |
|---------------------------|--------------|
| Price c.i.f. | 17·2 |
| Customs duty | ·43 |
| Landing charges | ·07 |
| Transport | ·10 |
| TOTAL | 17·80 |

i.e., at 1s. 6d. per rupee=15·86 as.

Our works cost of 4" hair belting:—16·635 as. per foot.

Price realised by us:—15·6 as. per foot.

The price of imported hair belting has been obtained from various big dealers in the market viz.:—The Calcutta Engineering and Company, Messrs. K. B. Sen, Asbestos Belting Company, Limited, Lewis Taylor, McDale and Company, agent of John Taylor of England, etc.

India is a vast country with immense natural advantages. It has a large supply of hair, Indian cotton is the cheapest in the world, and is suited to the manufacture of belting yarn and there is an abundant supply of cheap textile labour especially in the Jute mill districts of Bengal. India is rapidly growing industrially, consequently there is an unlimited market. Given a requisite amount of protection for some time for the establishment of the industry and securing of the market, Indian can be self sufficient in the matter of raw materials necessary for the manufacture of belting. It will be able to manufacture hair yarn very cheap which together with cheap cotton yarn and cheap labour, will not only be able to secure the complete mastery of the home market, but will also successfully compete in other markets outside India. But some protection is necessary for the growth of this infant industry against the long standing up-to-date equipped foreign manufacturers and the unfair advantage in customs duty which they are enjoying against the indigenous infant industry of this country. We claim that given a just rebate of at least 12½ per cent. over the Customs duty on raw material and the usual 15 per cent. *ad valorem* duty on the imported hair belting for 5 years only, this industry will live and grow rapidly and ultimately capture the entire home market, and at the same time will secure for the public exchequer at least an additional revenue of Rs. 5 lakhs every year.

Further, this industry amply secures the advantage of large scale production, for here increasing output will lower the cost of overhead charges and will cheapen the cost of raw material and will consequently increase the economy of production.

We further claim that this industry is of paramount importance on national grounds for if India does not produce its own belting, there is a grave peril of all its industry, railway workshops and mills, etc., getting stopped, in case as in the last great war, its foreign supply is cut off or even restricted. Therefore, apart from economic considerations, this industry amply deserves protection.

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THE BENGAL BELTING WORKS LIMITED.

B.—ORAL.

**Evidence of Mr. J. N. LAHIRI, recorded at Calcutta on Wednesday,
the 11th May 1927.**

Introductory.

President.—You represent the Bengal Belting Works?

Mr. Lahiri.—Yes.

President.—What is your position in the Firm?

Mr. Lahiri.—I am the Managing Director of the Firm.

Dr. Matthai.—Is it a joint stock company?

Mr. Lahiri.—It is a public limited company.

President.—You have taken over the works which were formerly run by the Eureka Belting Works?

Mr. Lahiri.—Yes.

President.—You complained in your first application that you were not invited to represent your views before the Board, but actually the Board sent a questionnaire to the Eureka Belting Works which has not been returned to us.

Mr. Lahiri.—I understand that it went to the liquidators and possibly they did not take any action over it.

Dr. Matthai.—Are not the business communications of the Eureka Belting Works sent to you?

Mr. Lahiri.—No.

Dr. Matthai.—The Eureka Belting Works is still in liquidation but the belting part of it has been taken over by you?

Mr. Lahiri.—The firm has been sold by auction and I have taken it over. That was in last March 1926.

President.—Then surely all business communications addressed to the Eureka Belting Works must be sent to you?

Mr. Lahiri.—As the firm did not function for a year and a half there was no communication coming to it.

President.—I understood you were going to send in a revised statement?

Mr. Lahiri.—We were trying to form a sort of balance sheet but we have not succeeded.

President.—Have you framed any answers to the questionnaire?

Mr. Lahiri.—My answers are practically based on this questionnaire. Messrs. McLawrie & Co., who were the managing agents of the Eureka Belting Works, sent us another copy of the questionnaire just after the evidence of Messrs. Birkmyre Brothers appeared in the Press and our answers are practically based on that.

Dr. Matthai.—Do McLawrie & Co. do any business in belting?

Mr. Lahiri.—No.

The Company's application.

President.—I should like to be clear as to exactly what it is you apply for. You say "some protection is necessary for the growth of the infant industry against long-standing, up-to-date equipped foreign manufacturers and the unfair advantage in customs duty which they are enjoying against the indigenous infant industry of this country. We claim that given a just

rebate of at least 12½ per cent. over the customs duty on raw material and the usual 15 per cent. *ad valorem* duty on the imported hair belting for 5 years only, this industry will live and grow rapidly." This means that you are applying for something more than tariff equality.

Mr. Lahiri.—Yes, a little of protection for some time.

President.—The terms of our reference under which we are considering your application are as follow. "The Government of India have received a number of representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list of such representations is appended to this Resolution. The representations will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit." You will therefore see that our terms of reference are limited to a consideration of the duty on the materials. Apart from that you have not really in your representation given any grounds for protection.

Mr. Lahiri.—As in the case of all infant industries naturally we required a certain amount of protection for some time.

President.—But infant industries which rely on raw materials imported from abroad are not exactly the industries which qualify for protection?

Mr. Lahiri.—What I mean is this: If we are given protection for some time, I am confident that after the market is secured it will be possible to get all raw materials necessary in the manufacture of belting produced in this country at a cheaper price. The required quantity of hair yarn and cotton yarn can both be obtained from some of the woollen and cotton mills at a cheaper price than that of the imported yarn. Therefore, the belt made out of the indigenous raw materials is bound to be less costly in the long run.

President.—That would apply to hair belting as well?

Mr. Lahiri.—Yes.

Dr. Matthai.—A textile material which is generally referred to is camel hair yarn; that is not produced here?

Mr. Lahiri.—Camel hair is a misnomer. It is really a kind of worsted yarn, made out of all sorts of long coarse hair.

Dr. Matthai.—Take hair belting. The bulk of the raw material required for hair belting is camel hair yarn, is it not?

Mr. Lahiri.—It is not. From what we have been able to find out, there is a very small percentage of camel hair in it. It should be called worsted hair yarn.

Dr. Matthai.—Since you took over this business in last March have you been able to get the yarn required for your belting from anybody in India?

Mr. Lahiri.—We got from Messrs. Ivan Jones Limited, of Calcutta, who are importers of this hair yarn. Then, we received from Bradford, England, this yarn through Messrs. Kahn and Kahn of Calcutta. The Shapurji Mills of Bombay have been induced to manufacture some quantity of this yarn on the basis of the English samples sent by us, which after test has been found quite as good as the imported yarn.

Dr. Matthai.—You mean this Bombay mill has undertaken to supply you hair yarn?

Mr. Lahiri.—Yes.

Dr. Matthai.—What is the material out of which they make this hair yarn?

Mr. Lahiri.—They call it coarse hair.

President.—Have you manufactured any belting from this yarn?

Mr. Lahiri.—Some of the belts made out of the Bombay yarn were tested in the Alipore Test House and compared favourably with that made out of

the imported yarn. We have ordered a lot of 2,000 lbs. of yarn from Bombay to be used in our Factory.

President.—On the score of using materials produced in India you really have no case because when an industry claims protection it must be able to place before us facts and figures relating to the manufacture of its goods out of Indian raw materials, not merely make a statement that they hope to use such raw material in future.

Mr. Lahiri.—My contention is that they have told us that if they can get enough orders they can manufacture yarn and sell it at a price which can fairly compete with yarn imported from abroad.

President.—The fact remains that you are not at present manufacturing belting out of Indian made hair yarn.

Mr. Lahiri.—That is so, but we hope to start using the Bombay yarn as soon as we get them.

President.—Are there any other grounds on which you can claim protection?

Mr. Lahiri.—There is question of competition with the German belting. India being a market for cheap goods German belting, mainly of low standard is sold in the bazar at a price much below our cost of production.

Dr. Matthai.—What is the kind of cotton yarn that you use?

Mr. Lahiri.—Generally 12 count yarn of 18, 24, and 30 ply. These are best suited to the manufacturer of belting.

Dr. Matthai.—You get all your yarn in India?

Mr. Lahiri.—We get practically all from the Dunbar Cotton Mills.

Dr. Matthai.—And they spin it out of Indian raw cotton?

Mr. Lahiri.—Yes.

Dr. Matthai.—You have had experience of that yarn and it works all right?

Mr. Lahiri.—We did not have any complaint.

Dr. Matthai.—You have never used any imported yarn, have you?

Mr. Lahiri.—We imported and used some quantity of English cotton yarn last year, but it was very costly and we had to discontinue it, and started using the indigenous ones, which serve our purpose equally well.

President.—What amount of labour do you employ in your works?

Mr. Lahiri.—35.

Output.

Dr. Matthai.—What has been your output since last March?

Mr. Lahiri.—About 65,000 feet of hair belt; we manufactured very little cotton belting, as we found practically no demand for the same.

Dr. Matthai.—For this 65,000 feet of hair belting that you produced since March last you practically got all the cotton yarn you required in India. How many lbs. will that be?

Mr. Lahiri.—About 13 to 14 thousand lbs.

Proportion of hair to cotton yarn.

Dr. Matthai.—In your hair belting what is the proportion of hair yarn and cotton yarn that you use? In the first place what is the width of belting that you produce in the largest quantity?

Mr. Lahiri.—We produce the largest 4" size belt.

Dr. Matthai.—In 4 inch belt per foot how much hair yarn do you use?

Mr. Lahiri.—Per inch foot we have used 1·7 oz. In the case of 4" size it would be 4·27 oz.

Dr. Matthai.—Supposing I gave you these figures, viz., that in a hair belting of 4 inches width 54 per cent. is hair and 43 per cent. is cotton yarn would that be approximately right?

Mr. Lahiri.—I think it would be a little over 62 per cent. hair yarn and the rest would be cotton yarn per unit.

Market.

President.—Whom do you sell your hair yarn belting to?

Mr. Lahiri.—To some of the Indian owned jute mills, cotton mills, timber mills, oil mills, tea gardens and so on.

President.—Have you any difficulty about selling it?

Mr. Lahiri.—We have, because there is a lot of prejudice against indigenous goods. But partly due to the good quality of our belt and partly because of its low price, due to the foreign competition, it is gradually creating a market of its own.

Dr. Matthai.—What price do you realize for your 4" hair belting?

Mr. Lahiri.—Generally annas 15 pies 6 1 per foot. This lower price is a little below our cost of production.

Dr. Matthai.—You are familiar with the kind of hair belting that is imported into the country. What is the kind of imported belting which comes into competition with your hair belting?

Mr. Lahiri.—John Taylor's Cow Brand, extra stout. That is also selling at annas 15 pies 6. I have given you an idea of the price of imported belting taken from John Taylors.

President.—What do you pay for your hair yarn?

Mr. Lahiri.—Last time we paid Rs. 2-4-6 per lb.

President.—And your cotton yarn.

Mr. Lahiri.—We use two kinds of cotton yarn; one for the weft costs annas 13 per lb., and the other is used as a binder costing Re. 1-4 per lb.

President.—What counts of camel hair yarn do you use?

Mr. Lahiri.—5 counts 4 ply, that is for the wider size and for the narrower size 4 counts 3 ply.

Dr. Matthai.—Why is it that you do not make any cotton belting now?

Mr. Lahiri.—In this part of India there is not much demand for cotton belting because it is not used for hard driving.

Dr. Matthai.—You mean the sort of driving required in a jute mill?

Mr. Lahiri.—Yes. Although recently one or two mills are using cotton belting and we have been asked to furnish quotations, we have not been able to do much business in that.

Dr. Matthai.—Apart from jute mills, who takes your beltings?

Mr. Lahiri.—Some cotton mills use our belting.

Dr. Matthai.—Where?

Mr. Lahiri.—The Bengal Luxmi Cotton Mills, Calcutta.

Dr. Matthai.—They also take the hair belting.

Mr. Lahiri.—Generally they don't use hair belting but after being persuaded, they gave our belt a trial and are convinced that our belt is in no way inferior to imported leather belt, even in case of driving cotton machines.

Dr. Matthai.—Is the leather belting more expensive?

Mr. Lahiri.—It is.

President.—Leather belting can be used for all purposes for which the hair belting is used?

Mr. Lahiri.—In case of heavy drive usually hair belting is used. From 8" upwards to 18" and 24" hair belting is invariably used.

Dr. Matthai.—Your total capacity is how much?

Mr. Lahiri.—3,00,000 feet of hair belting.

President.—What do you say your counts were?

Mr. Lahiri.—In case of hair yarn 5 counts 4 ply and 5 counts 3 ply, and in case of cotton yarn 12 counts 18 ply, 24 ply and 30 ply.

President.—These are the only ones you use.

Mr. Lahiri.—Yes.

The Company's request.

President.—Taking this enquiry as being confined to the question of tariff equality, would you say exactly what it is that you are asking for? I don't gather whether you want a reduction in the duty on hair yarn or an increase in the duty on imported belting, or a reduction in the duty on black proofing.

Mr. Lahiri.—I don't think that it would be necessary for us to import black proofing. We can have it made here.

President.—Our evidence this morning was to the effect that it could not be satisfactorily made in India.

Mr. Lahiri.—So far as we have been able to find out, we can say that it is quite a good sort of proofing that we are using. We find it quite good.

President.—Where do you obtain it from?

Mr. Lahiri.—We get it from the Standard Chemical Works.

President.—There have been no complaints about it?

Mr. Lahiri.—We have not received any complaints so far.

President.—You have been manufacturing now for the last 6 months?

Mr. Lahiri.—For the last five months.

President.—As regards black proofing no complaint is made.

Mr. Lahiri.—I have nothing to say.

President.—As regards hair yarn you apply for a reduction of the duty.

Mr. Lahiri.—Yes.

President.—Could you specify more clearly exactly what reduction of duty you want? Do you apply for a reduction of duty on the hair yarn or an increase of duty on the hair belting or for both?

Mr. Lahiri.—I would apply for both.

President.—On what grounds?

Mr. Lahiri.—First of all, for a fair competition.

President.—We are now speaking of tariff equality, that is to say the duty on your imported raw materials should not exceed the duty levied on the finished product imported by your competitors from abroad. The idea is that you should be placed on an equal footing as regards the duty.

Mr. Lahiri.—You take that for granted.

President.—I have just read out to our terms of reference.

Mr. Lahiri.—If we get the raw materials paying the same duty as the finished stuff, then of course part of our grievance goes away and for the other part we would ask you to give us some sort of protection against the imported hair belting.

Dr. Matthai.—Assuming the question of protection is ruled out under our terms of reference and the question becomes one of simply reducing the duty on the yarn, what is the exact reduction that you want?

Mr. Lahiri.—At least a rebate of $12\frac{1}{2}$ per cent.

Dr. Matthai.—On hair yarn?

Mr. Lahiri.—Yes.

Dr. Matthai.—You want it to be reduced to $2\frac{1}{2}$ per cent.

Mr. Lahiri.—Yes.

Dr. Matthai.—Do you want the same reduction on cotton yarn?

Mr. Lahiri.—I am not concerned with that.

Dr. Matthai.—Because you buy it locally.

Mr. Lahiri.—Yes.

President.—You are only concerned with hair yarn.

Mr. Lahiri.—Yes, because that reduces our price by a little over 10 per cent.

Dr. Matthai.—Since you are contemplating to purchase your hair yarn in India, supposing we reduce the duty on hair yarn from 15 per cent. to 2½ per cent., there would be no inducement for the Bombay mill to take to the production of hair yarn.

Mr. Lahiri.—I suppose that they are not exclusively manufacturing hair yarn. The manufacture of hair yarn would be a very small part of their business.

Dr. Matthai.—If your contention is right that there is room for the production of camel hair yarn, then if you reduce the duty from 15 per cent. to 2½ per cent., that possibility will disappear.

Mr. Lahiri.—I don't think so because the rate at which we get it from Bombay is not cheaper as yet than the import price. It is only to safeguard ourselves against any restriction or impediment of getting the yarn from outside we are making connections with a firm in Bombay.

President.—The Indian yarn is not cheaper than the imported yarn?

Mr. Lahiri.—No, it is not cheaper. But they have given us to understand that if they get at a time a large amount of orders from us, they would be able to reduce the price. Unless there is competition from outside, I don't think that they would have any inducement to reduce their price.

Dr. Matthai.—You have been able to realise during the past year a price of somewhere about 15 annas per foot which apparently covers your cost. Why do you want protection?

Mr. Lahiri.—Because in this works cost we have not taken into consideration what you call depreciation, interest on working capital or anything of the kind. It is simply works cost as we call it.

President.—Do you sell your belting at works cost?

Mr. Lahiri.—Practically lower than that.

Dr. Matthai.—You have been working just over a year.

Mr. Lahiri.—Yes.

Dr. Matthai.—In your first year you have been able to sell your product at a price that at any rate leaves you without a loss.

Mr. Lahiri.—It leaves me with a loss. The position is this. Whatever profit we are making on the hose pipe we are losing on this in the hope that if some day the duty is reduced or if we can get cheaper yarn elsewhere, we would be able to compete and make profit.

Dr. Matthai.—That is to say, supposing you have experience of this business for three or four years—you have only got one year's experience now—you will be able to improve your practice to such an extent that the works costs may come down and you may be able to sell at a price which will not only cover your works cost but also your overhead.

Mr. Lahiri.—Considering the fact that the cost of labour, establishment and power is only a small fraction of the cost of the raw material, I don't think that there is much room for us to bring the works cost down. We may bring the works cost down a little, but not much.

Dr. Matthai.—What is the capital which you have put in?

Mr. Lahiri.—Rs. 1,50,000. The Eureka Belting Company had invested over Rs. 3 lakhs but we purchased that concern in an auction for Rs. 70,000 and we have invested a further sum of about Rs 75,000 to Rs. 80,000.

President.—That includes your hose pipe too.

Mr. Lahiri.—Yes.

President.—So that as regards belting only a small proportion could be taken as block account. How much would you allocate to belting and how much to hose pipe?

Mr. Lahiri.—We are using the same machinery for the manufacture of hose pipe as well as belting. If we could sell belting at a higher rate, we would manufacture only belting, because the machinery is meant for that.

President.—Do you manufacture the hose pipe at a profit?

Mr. Lahiri.—Yes.

President.—Why do you manufacture belting at all?

Mr. Lahiri.—There is not very much room for the sale of hose pipe in the country. The biggest consumer is the Calcutta Corporation. We have received an order for 1,64,000 feet of hose pipe and that is perhaps the highest that we can expect.

Dr. Matthai.—You gave us your capacity as 1,00,000 feet. This is not including the hose pipe.

Mr. Lahiri.—Yes.

Dr. Matthai.—How much hose pipe in addition would you make?

Mr. Lahiri.—Over 3,00,000 ft. of belting we could not manufacture even a foot.

Dr. Matthai.—Take last year. How much did you manufacture of hose pipe.

Mr. Lahiri.—1,00,000 feet.

Dr. Matthai.—And 60,000 ft. of belting.

Mr. Lahiri.—Yes.

Dr. Matthai.—Supposing we divided your capital expenditure in that proportion between the hose pipe and belting, what proportion of your total capital expenditure would correspond to the belting department?

Mr. Lahiri.—Do you mean working capital?

Dr. Matthai.—You bought the factory at Rs. 75,000. Your output of hose pipe last year was 1,00,000 and that of belting 60,000 feet, that is to say, the proportion is 100 to 60. Suppose we divided your capital between hose pipe and belting in that proportion?

Mr. Lahiri.—The price of hose pipe is much smaller.

Dr. Matthai.—What I am trying to suggest is that even if you did improve your overhead charges, that is to say if you work it down per foot, it would not be possible to raise the figure very much above 15 annas.

Mr. Lahiri.—No doubt it would not be raised.

President.—Take 60,000 feet of belting. If we allocate $\frac{1}{3}$ th of Rs. 1½ lakhs, say, Rs. 55,000 and take depreciation at the rate of 6½ per cent. on that, it comes to Rs. 3,400 or Re. '05 per ft.

Mr. Lahiri.—I beg to suggest that if we can manufacture 60 feet of belting per day per loom we would be able to manufacture at least 120 feet of hose pipe per day per loom. We should take that into account.

President.—If we take that into account, the depreciation will come to a fraction of an anna.

Mr. Lahiri.—What about the depreciation of machinery, interest, etc.?

President.—Your overhead charges will not come to anything in excess of an anna.

Dr. Matthai.—You are not losing very much at a price of 15 annas.

Mr. Lahiri.—That is because we have been able to manufacture hose pipe. That is why we are able to stand; otherwise we would have to shut down as the Eureka did.

President.—You are still manufacturing hose pipe at a profit. You cannot put in a contingent application as to what would happen if you were not manufacturing hose pipe?

Mr. Lahiri.—I mean to say that if we only manufactured belting we would not be able to live.

Canvas ply belting.

Dr. Matthai.—You are not concerned with canvas ply belting.

Mr. Lahiri.—No.

Dr. Matthai.—Is there any market for it in Bengal?

Mr. Lahiri.—There is some market. Some of the tea-gardens use Balata belting.

President.—Is that canvas ply?

Mr. Lahiri.—Yes.

Dr. Matthai.—Is that partly rubber?

Mr. Lahiri.—It is canvas folded and impregnated in rubber.

President.—Can you give us any idea as to the nett financial results of your factory taking the hose pipe and the belting together?

Mr. Lahiri.—I tried to do it but could not do so.

President.—You have not been able to get out your balance sheet?

Mr. Lahiri.—Not yet.

Reduction of duty on raw materials or increase of duty in imported belting.

Dr. Matthai.—If it were a choice between reducing the duty on the camel hair yarn and increasing the duty on the imported belting, which would you choose?

Mr. Lahiri.—I would apply for an increase in the duty on belting.

Dr. Matthai.—That would increase the cost of machinery in the country

Mr. Lahiri.—I see no reason why belting should be classified along with machinery.

President.—Except that it is used in machinery and without which the machinery could not be run.

Mr. Lahiri.—That is true, but it should be classified along with textiles.

Dr. Matthai.—That is classified along with textile machinery. If our business is to encourage the development of industries in this country, do you think that we would be justified in increasing the cost of machinery?

Mr. Lahiri.—You would not. But the price of the belting used in any industry compared to the price of machinery is very small and will not much affect it. Besides, machines are being manufactured in this country at a much cheaper price. For example, we can get a hose pipe loom from the Angus Engineering Works at Rs. 600, which the British manufacturer would not part with at a price less than Rs. 1,500.

President.—So, what is your conclusion from that?

Mr. Lahiri.—Although we have yet to depend a good deal upon the import of foreign machinery, yet from the point of view of the manufacture of belting, I would prefer that the duty on belting should be raised. Because it will lead to the rapid expansion of this industry and eventually will make the country free of foreign import.

President.—Look at it in this way. If you raise the price of imported belting, you also raise the price of belting in this country too, so that the industries using the belting are put to a disadvantage. On the other hand if you lower the duty on camel hair yarn, you will reduce your expenditure incurred by the manufacture of belting in this country. You will be able consequently to lower your price and compete with the imported article, while the industries using belting will still have the advantage of obtaining belting cheap. I don't quite follow in what way you will gain an additional advantage by having a duty put on the imported belting rather than by having a refund or reduction of the duty on camel hair yarn?

Mr. Lahiri.—The protection asked for being temporary the enhancement of the price of belt will also be temporary. But it will help in securing the market for the indigenous goods. With an assured big market of hair yarn

for the manufacture of belting, the price of the yarn will also be lowered. Therefore, with cheaper raw materials the price of the Indian belt will be much lowered and will amply repay the temporary disadvantage.

President.—I understand that your position is that you wish the duty put on the imported material because you have reason to believe that the present tariff inequality under which you suffer will in future, possibly by the purchase of materials, in this country, gradually disappear, so that at the end of three or four years an increase in the duty on imported belting will leave you with a positive advantage. That is to say, you will, up to that extent, be protected.

Mr. Lahiri.—Yes and more belting manufacture will be undertaken in the country and we can be self sufficient.

Demand in Calcutta for belting.

Dr. Matthai.—What is your estimate of the annual demand of hair belting in Calcutta? Have you tried to make an estimate?

Mr. Lahiri.—I have not been able to find out for Calcutta exactly. For India I have seen it to be about 38 lakhs.

Dr. Matthai.—How do you make that estimate?

Mr. Lahiri.—From the Custom Returns.

Dr. Matthai.—There is no separate item for hair belting in the Trade Returns.

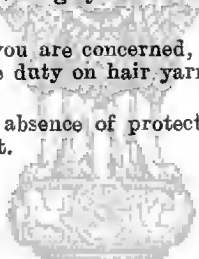
Mr. Lahiri.—The other item (separate from leather) I presume to be hair.

Dr. Matthai.—The other materials come to 34 lakhs of feet and assuming it is about a rupee per foot, it roughly works out to about Rs. 30 lakhs.

Mr. Lahiri.—Yes.

Dr. Matthai.—As far as you are concerned, if we gave you some relief in the shape of reduction in the duty on hair yarn for the present, it would be sufficient.

Mr. Lahiri.—Yes, in the absence of protection, this at least will relieve our position to a great extent.



सत्यमेव जयते

Messrs. McLAWRIE & Co.

Representation dated 8th December 1925, to the Director of Commercial Intelligence, Calcutta.

We beg to bring to your kind notice the following difficulties we are experiencing in the field of manufacture of Camel Hair Belting and we pray that your goodself, after due consideration, be pleased to recommend the removal of the handicap under which we labour.

You are perhaps aware that ours is the only Indian concern that manufacture Camel Hair Belting in India, and for that purpose we have to depend on imported Camel Hair Yarn which forms one of the major ingredients of this kind of belting. We are paying a prohibitive import duty of 15 per cent. on this yarn which forms the raw material for our manufacture, whereas finished Camel Hair Belting is imported in this country by paying 2½ per cent. import duty. This duty of 15 per cent. on raw material raises the price of our finished product by nearly 12 per cent. and makes it impossible for us to compete with the imported belting.

So we pray that your goodself be pleased to give us a fair chance of competing with the foreign manufacturers by raising the duty of finished belting imported in this country to 15 per cent. thereby equalising the duty on finished belting and raw material. By this measure not only this infant industry will be protected from utter ruin but also the revenue of the Government will be increased by nearly 12½ lakhs of rupees. Should the importance of the case require further explanation we shall be glad to have an interview with you and explain all matters in detail.

Hoping this will receive your kind consideration.



सत्यमेव जयते

THE BURMA INDIAN CHAMBER OF COMMERCE

Representation dated 17th February 1926.

I am directed by the Committee of this Chamber to address you as follows:—

Messrs. S. A. Tyejee & Co., a member of this Chamber, have been manufacturing cotton elevator and conveyor belting since March 1922. Their annual output is said to be worth Rs. 75,000. My Committee are informed, however, that their chief difficulty is that Cotton Canvas suitable for their purpose is not available in India and that they have consequently to rely upon the imported material on which they have to pay an import duty of 11 per cent. On the other hand, the duty on imported belting manufactured out of similar material is only 2½ per cent. The indigenous manufacture is thus handicapped at the very outset with a protective duty of 8½ per cent. on competitive imported belting. My Committee understand that this initial disadvantage falls heavily on the industry which is still in an infant stage.

Messrs. S. A. Tyejee & Co., under the circumstances contend that the duty on Cotton Canvas, which may be imported for the manufacture of belting should be remitted. Their contention, my Committee believe is in accordance with the recommendation of the Indian Fiscal Commission and with the policy of discriminate protection of indigenous industries accepted by the Government of India.

It appears that as a result of the representations of Messrs. S. A. Tyejee & Co., to the Local Government and the Government of India, the case has been referred to the Tariff Board for enquiry as per Government of India. Department of Commerce Resolution No. 38-T. (2), dated the 28th March 1925. It further appears that Messrs. S. A. Tyejee & Co., were informed by your letter No. 447, dated the 17th August 1925, that the Tariff Board hoped to take up at an early date the enquiry into the question of the reduction of the duty on imported Cotton Duck. It is now six months since this letter was addressed and yet no steps have been taken by the Tariff Board in the matter up till now. My Committee will therefore feel obliged if the Tariff Board will now take up without further delay an enquiry into the case as the fortunes of an important industry are involved therein.

In conclusion, my Committee desire to make it clear that they are addressing this letter not for the benefit of the individual firm concerned but solely in the interests of an important industry, which is capable of expansion in case it receives fair treatment and sufficient encouragement at the hands of the Government.

Messrs. PASRICHA & Co.

*Letter, dated 4th May 1927.**Imported Textile Belting.*

As per your invitation as published in this morning's newspapers we beg to express our opinion on the subject as under:—

Any increase in the existing rate of duty on the imports of textile beltings will adversely affect the trade in this line. The number of belting factories in the United Kingdom and the European countries is innumerable so to say; introducing a peculiar commercial element, which produces a marked effect in the prices of different manufacturers. In consequence, the prices of one factory do not correspond with those of another. Traders are thereby benefited as, having an unrestricted market, they can cover themselves for their requirements from what they may find to be the cheapest source for the qualities most in request. The source of production being numerous there is the desire on the part of manufacturers abroad to move stocks lying on their hands, the result of which invariably is a weakening in the tone of the prevailing rates, reacting to the benefit of the traders and the buyers.

A trader who is more wakeful is at least a pace or two in advance of those who have got into the groove of buying only from a few manufacturers. If the duty on the import of textile belting is increased with a view to afford protection to the local manufacturers, this would result in the inflation of prices of imported textile belts on landing, and those at present figuring as importers will of necessity be forced to fall back largely on the local manufacture and thus to an extent made to deny themselves the advantages of existing conditions. Their sources of purchase will be frightfully circumscribed and the manufacturers in this country being few, the traders would have to make their purchases at prices which the local makers here would be able to dictate.

The Tariff wall raised by increase of duty on imports will retard the inflow of imported goods. Consequently, with a view to effect sales, the traders at this end would have to resort to price cutting amongst themselves, a matter which would be detrimental to healthy trade. Another fact to be taken into consideration is that many makers in this country function also as dealers, there being nothing to prevent them from so functioning and the trade discounts they offer is so small as not to make much difference and business in country products attractive.

There are others again, who are agents of manufacturers of textile belting in the United Kingdom and these men have built up a fair trade and trade connections by persistent and consistent efforts through a number of years. How these people would stand if the duty is increased is a matter not worth ignoring.

We would also urge on your attention that there are a number of branches of sundry English manufacturing firms in this country, especially in the principal port towns and there can be no denying the fact that their interests will be seriously at stake if the duty on imports of belts is increased.

The only way in which the difficulty of manufacturers can be met is by abatement of the levy on raw materials for textile belting. The low duty on component parts of machinery of which beltings and mechanical leathers form a part, is in force for a number of years and is not a new factor only just introduced to ruffle the equilibrium of normal trade. The adverse circumstances through which local manufacturers are passing must be attributed to some other cause or causes. Reports as are published in the foreign trade papers go to show that trade conditions are not so cheerful everywhere for some time. The belting trade is also having its share of the ills of a depressed market, not only here but also in the United Kingdom.

Messrs. LEWIS AND TYLOR, LIMITED, CALCUTTA.*Letter, dated 7th June 1927.*

We thank you for your letter No. 475 of the 2nd June, affording us an opportunity of placing before your Board some points which have been raised by our head office who, manufacturing in England, are the largest stockists in India of machine belting.

Our belief has been that in fixing a rate of 2½ per cent. on imported belting, and 15 per cent. duty on imported materials for belt manufacture, the intention was to allow India and her manufacturers to do what they claim to be able to do, that is to manufacture serviceable belting from Indian indigenous materials.

At the outset, we would say there is no insurmountable obstacle in the path of those genuinely out to foster Indian industry in making a belt wholly from Indian materials; that is using Indian hair and Indian cotton. In this way all duty would be avoided, more internal work generally would be created, and the final product might be, in all truth, termed "of Indian manufacture." It would be useless to say, of course, that this might easily be done. There is the expense and trouble of putting down the necessary plant for bringing the materials to a form suitable for the manufacture of belting, and perhaps most important of all, the fact that the finished article would not equal in quality that of the Home product.

When we make these comparisons we do not speak lightly, as in manufacturing a belt which is definite in its guarantee of being made from hair yarns, 100 per cent. pure genuine camel hair, we have been forced to realise to the fullest extent, the difference which the finer points in spinning and weaving can make to the belt's power transmission efficiency and length of life.

If a decrease of duty is contemplated we submit that this should affect not only imported yarns, but the imported belting as we would suggest that there will always be a demand for a first quality British product, and it would seem unfair that the vital industries of a productive India should be further handicapped and victimised, through an increase in cost of such an essential factor as her machine belting.

A decrease of duty on imported yarns only, would but make certain that such firms as at present complete the final processes in this country would never use Indian materials for the manufacture of their belting, and therefore the idea of fostering new and additional Indian industries will be completely defeated by such a move.

Letter from the Tariff Board to certain importers of machine belting in Calcutta, No. 369, dated the 25th April, 1927.

I am directed to inform you that the Tariff Board is in need of information relating to the price of imported machine belting. As it is understood that you import considerable quantities of such belting, I am to ask if you will kindly supply the Board with a statement showing—

- (a) representative invoice prices, and
- (b) landing charges of—

- (i) cotton belting,
- (ii) camel hair belting and
- (iii) canvas ply belting,

imported during the years 1924-25, 1925-26 and 1926-27.

If possible the prices should be per foot and should relate to an average size—say 3½" width for cotton and camel hair belting and 9-inch eight ply for canvas ply belting.

The Board would be very grateful if this information could be supplied as quickly as convenient.



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Messrs. LEWIS AND TYLOR, LIMITED, CALCUTTA.*Letter, dated 26th April 1927.*

From your favour to hand we note your Board is desirous of certain information relating to prices of imported machine belting and we are at your service.

As the largest stockholders of belting in India all of our own manufacture, the resurrected subject of import duty is naturally of considerable interest to us.

We would firstly reply to your indexed queries as follows:—

- (a) $3\frac{1}{2}$ " Patent Solid Woven "Gripoly" belting (the only brand covered with a definite guarantee of being made from hair yarns 100 per cent. pure genuine camel hair) invoiced at Rs. 2-3-0 per ft. less 20 per cent.

$3\frac{1}{2}$ " cotton belting invoiced at Rs. 1-5-0 per ft. less 35 per cent.

Canvas ply belting is not considered suitable for this climate and is therefore not stocked by us in India.

- (b) Customs duty $2\frac{1}{2}$ per cent., Port Commission's charges and clearing agent's charges Rs. 17 per ton.

This is not the first time the question of the tariff on manufactured belting has been raised, and we remember some years ago the Customs Authorities actually put up the duty on belting from $2\frac{1}{2}$ per cent. to $7\frac{1}{2}$ per cent. because that alteration was included among the measures in the Indian budget. The alteration was defeated, however, in the Legislative Assembly and relinquished by the Customs Authorities and refund made to us of duty which had been paid at the higher rate.

Last year this question was again raised and at that time our Head Office wrote stating that as Members of the Bengal Chamber of Commerce we ought to put it up to the Tariff Board that if firms are manufacturing belting on any extensive scale, there is not the slightest necessity to buy either cotton yarn or camel hair yarn, and that they would in the ordinary course of things take the raw material and spin it themselves, or any rate, have it spun in India. They say this would be the only logical policy to adopt and that firms manufacturing belting would find no technical difficulty in doing this.

It would be interesting to know if the belting manufactured in the country is entirely, or partly, made from imported American or Egyptian cotton yarns.

If there are any points upon which further information would be useful to you, we trust you will not hesitate to approach us.

Messrs. JESSOP & Co., Ltd.

A.—WRITTEN.

Letter dated 28th April 1927.

Referring to your letter No. 369, dated 25th instant, we have pleasure in giving below the prevailing prices on the subject of imported belting during the last two years:—

Cotton belting.

| | Size. | Sterling c.i.f. cost. | Customs duty. | Landing and clearing charges. |
|----------------------------|-------|-----------------------|---------------|-------------------------------|
| November 1924 . . . | 3½" | Sh. 1/0 58 ft. | 2½ per cent. | 1 per cent. |
| September 1926 . . . | 3½" | Sh. 1/0 56 ft. | 2½ „ | 1 „ |
| February 1927 . . . | 3½" | Sh. /10 65 ft. | 2½ „ | 1 „ |
| <i>Camel Hair Belting.</i> | | | | |
| January 1924 . . . | 3½" | Sh. 1/3 31 ft. | 2½ „ | 1 „ |
| October 1925 . . . | 3½" | Sh. 1/3 9 ft. | 2½ „ | 1 „ |
| September 1926 . . . | 3½" | Sh. 1/4 5 ft. | 2½ „ | 1 „ |

As we do not import canvas belting for stock we are unable to give you any particulars of same.

We trust this is the information you require.

B.—ORAL.

**Evidence of Mr. C. I. RODDICK, recorded at Calcutta on
Wednesday the 11th May, 1927.**

* * * * *

Belting.

President.—Do you import belting?

Mr. Roddick.—Yes. We gave you the prices already.

President.—The prices you have given us in the list are nett prices.

Mr. Roddick.—What do you mean by nett price? If it is c.i.f. that is nett price.

President.—This camel hair belting, is it of any particular kind?

Mr. Roddick.—No. These people call it by different names. There is nothing patent. They have these particular trade mark names that is all.

President.—Camel hair belting has gone up slightly and cotton belting has gone down, has it not?

Mr. Roddick.—Yes.

A CALCUTTA FIRM.

Letter dated 30th April 1927.

We are in receipt of your letter No. 369, dated the 25th instant and have pleasure in enclosing our schedule of costs, with our request that our name does not appear thereon. Our reason for this privacy is because of the difference in further calculations necessary to estimate our actual selling price, which must naturally include—

1. Interest on bill amounts.
2. Storage charges.
3. Overhead establishment charges.
4. Profit on total cost expenditure.

You will realize that our calculations form a very considerable item in a large establishment such as ours where we carry no small stocks and employ a larger staff.

We do not deal in canvas belting.

Belting Prices.

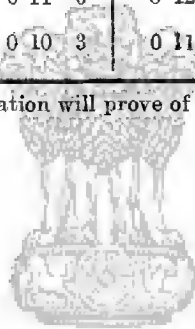
| | Makers List less discounts, c.i.f. Calcutta. Per foot. | Plus duty. | Plus landing charges. |
|-------------------------|---|------------|--------------------------|
| <i>Belting Cotton.</i> | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| | 1924-25. | | |
| Stout 3½" | 0 14 6 | 0 14 10 | 0 15 0 |
| Single 3½" | 0 10 0 | 0 10 3 | 0 10 4 |
| | 1925-26. | | |
| Stout 3½" | 0 14 6 | 0 14 10 | 0 15 0 |
| Single 3½" | 0 10 0 | 0 10 3 | 0 10 4 |
| | 1926-27. | | |
| Stout 3½" | 0 13 4 | 0 13 8 | 0 13 10 |
| Single 3½" | 0 9 3 | 0 9 4.75 | 0 9 6 |
| | 1927. | | |
| Stout 3½" | 0 12 1 | 0 12 4.6 | 0 12 6 |
| Single 3½" | 0 8 3 | 0 8 5.5 | 0 8 7 |
| <i>Belting Hair.</i> | 1924-25. | | |
| Quality No. 3 | 0 15 1.25 | 0 15 5.75 | 0 15 8 |
| Quality No. 4 | 1 2 3.5 | 1 2 9 | 1 2 11 |
| | 1925-26. | | |
| Quality No. 3 | 0 15 1.25 | 0 15 5.75 | 0 15 8 |
| Quality No. 4 | 1 2 3.5 | 1 2 9 | 1 2 11 |
| | 1926-27. | | |
| Quality No. 3 | 0 14 5.3 | 0 14 9.6 | 0 14 11 |
| Quality No. 4 | 1 1 5 | 1 1 10.25 | 1 2 0 |

Messrs. ROBERTS, McLEAN & Co., Ltd.*Letter, dated the 3rd May 1927.*

We have to acknowledge receipt of your letter No. 369, dated 25th ultimo, and in reply beg to give you the details herewith of the cost price of our Dossendale cotton and hair belting into India. We do not import canvas ply belting and cannot, therefore, supply the required particulars.

| Year. | Hair Belting 3½" wide. | | Cotton Belting 3½" wide. | |
|---------------|------------------------|----------------------------------|--------------------------|----------------------------------|
| | Price as per invoice. | Price including landing charges. | Price as per invoice. | Price including landing charges. |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| 1924-25 . . . | 0 13 0 | 0 14 0 | 0 12 0 | 0 13 0 |
| 1925-26 . . . | 0 11 6 | 0 12 9 | 0 10 6 | 0 11 9 |
| 1926-27 . . . | 0 10 3 | 0 11 6 | 0 9 3 | 0 10 3 |

Trusting that this information will prove of use to you.



सत्यमेव जयते

COLLECTOR OF CUSTOMS, RANGOON.

Note handed on 30th March 1927.

The import and export of belting for machinery

* * *

Belting for machinery.

Imports have gradually decreased from over seventeen lakhs in 1921-22 to about 10½ lakhs in 1926-27. This may be accounted for by the fact that the Indian produce is being imported in preference to foreign manufacture.

Belting imported are ordinarily manufactured from (1) hair, (2) leather, (3) rubber and canvas, and (4) cotton. The statistical classifications are as follows:—

(a) Cotton, (b) leather and (c) other materials.

The latter forms the major part of the imports.

There is one factory in Burma for the manufacture of belting for machinery.



सत्यमेव जयते

COLLECTOR OF CUSTOMS, RANGOON.

B.—ORAL.

**Evidence of Mr. A. E. BOYD, Collector of Customs recorded at
Rangoon on Wednesday, the 30th March, 1927.**

Introductory.

President.—Mr. Boyd, you are the Collector of Customs, Burma.

Mr. Boyd.—Yes.

President.—I suppose you have been to all the principal ports.

Mr. Boyd.—Yes.

President.—The Customs Department is entirely a Central Department, is it not?

Mr. Boyd.—Yes.

President.—You are directly under the control of the Government of India.

Mr. Boyd.—Under the Central Board of Revenue.

* * * * *

Belting.

President.—I want to ask you a few questions about belting, Mr. Boyd.

Mr. Boyd.—Yes.

President.—I think we are chiefly concerned with cotton ply belting, are we not, Mr. Tayabji?

Mr. Tayabji.—Yes, cotton duck and ply.

President.—Cotton ply means you have several folds?

Mr. Tayabji.—Yes.

Mr. Mathias.—Cotton duck is the name of the canvas you make your belting from?

Mr. Tayabji.—That is so.

Mr. Mathias.—Cotton ply is the description of the belting whereas cotton duck is the description of the material of which the belting is made. Solid woven belting is woven on a loom and there is no stitching in it, is that correct?

Mr. Tayabji.—Yes.

President.—You don't manufacture that?

Mr. Tayabji.—No, we don't.

President.—Mr. Boyd, the point that arises here is this. You have three classifications—cotton, leather and other materials. These are the headings under which you maintain your accounts?

Mr. Boyd.—Yes. These are the three headings under which we keep our accounts; we don't differentiate the others.

President.—If we took your import figures of cotton belting that would not give any indication of the quantities of imported cotton ply belting?

Mr. Boyd.—No, it would simply come to us as cotton belting in the bill of entry.

President.—So that really at present we have nothing to indicate how much competition there is in this particular class of belting called cotton ply belting. Would it be possible hereafter for the Customs to separate it?

Mr. Boyd.—I doubt if we could do that.

Mr. Tayabji.—Whenever the belting is imported in the invoice it is generally stated whether it is ply belting or solid woven belting so that it is always possible to differentiate in the Customs whether it is solid woven or ply belting.

President.—Solid woven looks like canvas while cotton ply belting would be several folds so that it would not be difficult I take it, for the Customs authorities, if it became necessary, to separate the two?

Mr. Boyd.—In the bill of lading they simply put it as cotton belting. We have got certain headings from the Director of Statistics. We simply work on that. If he asks us to keep cotton belting, leather belting or anything else we can do that. It does not matter to us whether it is cotton ply or solid belting. We can't differentiate unless some orders were issued to us as it is, we are restricted to our list of headings. But if we were to differentiate every single item that would mean more work for us.

President.—The matter is of importance only in this way that if there is no ply belting imported at all Messrs. Tayabji and Company has hardly any ground to ask for protection. It may be that it is all solid woven belting which is imported so far as our information goes at present.

Mr. Tayabji.—We can prove to you that cotton ply belting is imported.

Mr. Garraty.—I think it is.

President.—There is no evidence to show just now the extent of competition in this particular class of manufacture.

Mr. Tayabji.—We would very much like the Customs to differentiate because it would give an indication how much of it is coming in.

President.—Mr. Tayabji, the Customs have up to now no information. It is for you to consider whether you would prefer to wait till they get it.

Mr. Tayabji.—The statement we have prepared is from the Customs figures, and from the fact that we know which importers bring out these cotton ply belting we can make out how much is cotton ply belting, so that we can approximately differentiate between the two.

President.—In the next few months perhaps you may be able to get the information, Mr. Boyd, and any information you can give us in the matter will be of great help to us.

Mr. Garraty.—The reason why we have not done it in the past is that the headings were given to us by the Director of Statistics and we maintained our books accordingly.

Dr. Matthai.—Mr. Tayabji, how did you make your estimate of 150,000 yards?

Mr. Tayabji.—As I pointed before I have worked out the import of every importer in Burma of cotton belting. In certain cases it was definitely stated in the invoices that it was solid woven and in certain cases it was definitely stated it was ply belting, while, again, in others it was only cotton belting. We knew exactly who were the importers of cotton ply and who are the importers of solid woven belting and in this way we differentiated and put each importer's belting under the different heads and thus got a correct idea of the total quantity of cotton belting imported.

President.—We shall have to wait for a little while for Mr. Boyd to collect the figures.

Mr. Boyd.—You will understand that I can't open new heads without orders, but I will have to collect the figures myself just to oblige you.

President.—Thank you very much, Mr. Boyd, and in the meantime we can write to the Director General of Commercial Intelligence asking him to give you separate headings for the future. Can you send us monthly statements?

Mr. Boyd.—Yes.

President.—There is one point of some importance. Mr. Tayabji manufactures ply belting out of cotton duck sometimes called duck canvas. The whole point is, if we were to accept Mr. Tayabji's proposal that there should

be rebate of the duty on this belting, the question would arise whether we would be able to identify the class of cotton duck that Mr. Tayabji is using from other classes of cotton duck imported into the country. The point is this that cotton duck must be used ordinarily speaking for many other purposes so that we can't say that there should be a rebate on all cotton duck. We should confine our recommendation, if we came to the conclusion that it was necessary to protect the belting industry, to the cotton duck that was used for the manufacture of ply belting; it may be of a certain weight or a certain width.

Mr. Tayabji.—It must be at present, I think, of a certain weight so many pounds per square yard.

President.—What is your weight?

Mr. Tayabji.—About $1\frac{1}{2}$ lbs. per square yard, more or less.

President.—Only that or above that? If it is above that they may be using for other things, such as awnings and things of that sort.

Mr. Mathias.—There are two considerations—it may be unsuitable for other purposes or it may be uneconomical.

Mr. Tayabji.—Both. So far as we know duck of that weight and over are not used for any other purposes. We have not been able to sell it at all for other purposes except in one or two occasions when people had particular use for it.

President.—At present anyhow there are three or four factories manufacturing belting in the country and the simpler way would be to say, if we were satisfied that there was reason for it, that rebate should be given to the manufacturers on the quality used by him.

Dr. Matthai.—Mr. Tayabji, you are the only person who makes cotton ply belting in India, are you not?

Mr. Tayabji.—I think so.

President.—The Indian Cable Company at Jamshedpur used certain quantities of material which are not used by others and Government gives them a rebate. That of course involves very much trouble to the Customs authorities.

Mr. Boyd.—That would mean examining his consignments and seeing that he does not go and sell these articles to other people. Of course the cotton canvas he brings in is of such weight that it would be uneconomical to be used for any other purpose. The presumption is therefore that it is going to be used for belting. Cotton canvas of certain weight would get so much rebate.

Mr. Mathias.—Why have rebate at all?

Mr. Boyd.—It is not for one man. It is for the trade.

President.—So far as revenue is concerned, it would be much simpler for you, Mr. Boyd, from the administrative point of view to say that Mr. Tayabji will use 1,000 lbs. a month. He imports that. They pass through your books. Supposing he then begins to import 6,000 lbs. instead of 1,000 lbs., you have got to satisfy yourself whether he has increased his manufacture or whether he is doing something else with it.

Mr. Boyd.—We could not do that.

Mr. Mathias.—He will have to obtain a certificate from the Collector that he has used so many yards for the purpose of making belting in such and such a month and on that certificate you would give the rebate.

Mr. Boyd.—On very much the same way as they do in the case of salt. He gets a rebate on the quantity of salt used.

Mr. Mathias.—If Mr. Tayabji would keep proper accounts, then it would not give the Customs authority so much trouble to go and see what he is doing.

Mr. Tayabji.—Simply we give them our accounts of the canvas and belting manufactured.

Mr. Mathias.—And your sales.

Mr. Tayabji.—The sales would not help in any way. If we sold any canvas, it would show that we sold so much canvas.

President.—What you have got to show is to account for all the canvas on which you have got the rebate. You account for it saying that you imported so much, you manufactured so much and you sold so much.

Mr. Tayabji.—Yes.

President.—It would not be a very intricate examination for the Customs Authorities.

Mr. Boyd.—It might probably be a hard job. In Calcutta it is done in the case of salt.

President.—The typical case is the Indian Cable Company.

Mr. Boyd.—It can be done.

Mr. Mathias.—Would a system of rebate be somewhat complicated by the fact that Mr. Tayabji also imports Indian made cotton canvas and makes that into belts.

Mr. Boyd.—It will be very difficult to say which is foreign and which is Indian belting.

Dr. Matthai.—All the canvas that you buy which is less than 24" is locally made.

Mr. Tayabji.—Up to 24". We don't purchase any canvas less than 24".

Dr. Matthai.—Would it be possible to describe your requirements as so much in weight and above 24" width. Would that be correct?

Mr. Tayabji.—Yes. It would be very difficult if we gave the amount of belting manufactured to find out exactly what were the sizes used. What we have to show is when we receive the canvas, when we despatch to our factory and when we utilise and in what belting we utilise.

President.—To-day according to your own statement nobody really manufactured this canvas. One mill manufactures this at your request.

Mr. Tayabji.—Yes.

President.—The best thing for you is not to use any Indian canvas at all. Leave it to the millowner if he is interested in manufacturing belting to come before the Board and make proposals. Is it necessary for you to use any Indian canvas when it is to be made specially for you?

Mr. Tayabji.—For the simple reason that it is one of our principle that when we manufacture, we want to use as much of Indian material as possible.

Mr. Mathias.—It is also somewhat cheaper.

Mr. Tayabji.—It is slightly cheaper. You can say anything over 24", because we use only up to 24" canvas.

President.—You said just now that there would be difficulty in checking the quantities used if you use 24" from Bombay and above from outside. It is the administrative difficulty I am referring to.

Mr. Tayabji.—When we give you a statement showing how we have utilised 24" and the sizes over that, then there is no difficulty. You know exactly so many sizes were used up in certain belting and the accounts are quite clear.

Mr. Mathias.—At present in Bombay they only manufacture 24" canvas.

Mr. Tayabji.—Yes.

Mr. Mathias.—And therefore it is suggested that on all the belting which is manufactured by you out of canvas above 24", you should get a proportion of the duty refunded. Supposing a rule is passed—and the Customs will be bound by this rule—that you should be given this rebate, it is quite possible as you suggested in your evidence that the Indian firm in Bombay may in future manufacture canvas of 36". It is also possible that you or some other firm having bought that under the rule which will then be in force, might put in a statement showing not only the belting manufactured out of the imported canvas, but also the belting manufactured

out of 36" canvas from Bombay. In that case you would obtain a refund of the duty not only on the imported canvas, but also on the indigenous canvas.

Mr. Tayabji.—There is no duty on the indigenous canvas. I will have to claim the rebate against the duty paid.

Mr. Mathias.—You pay Rs. 50 duty and actually Rs. 25 of that represent the rebate, but the fact that your factory shows a bigger outturn of belting made from the imported stuff would justify you in putting in a claim for Rs. 30.

Mr. Tayabji.—But the rebate can never exceed the amount of duty paid. The Indian stuff would not appear in the statement, because no duty has been paid on that.

President.—This is not a very big business. Supposing Mr. Tayabji is now manufacturing and he imports 1,000 lbs., then it is not a big quantity. If all on a sudden he imports 10,000 lbs., it is only at that stage necessary to see whether belting was being manufactured out of imported canvas. So I don't think there would be very much work thrown on the Customs Authorities if you followed this procedure.

Mr. Boyd.—No. It is not safe to reduce the duty on that particular canvas.

President.—We have got to do it for all over India. We could not have a separate tariff for Rangoon. We have to get the separate import figures for this class of material, its weight and so on and then we have got to find out who uses them and a thousand and one other things. I think it would entail an enquiry.

Mr. Boyd.—It is rather hard to do it. We would not know for what purpose this canvas has been used.

President.—A simpler way would be this. Hereafter 100 people may come forward and ask for rebate. In that case we will have to enquire again. So long as the manufacture is confined to three or four small factories, I think the method we were suggesting would be the most suitable.

Mr. Boyd.—That is not absolutely safe.

Mr. Mathias.—Owing to the fact that this canvas is also manufactured in India, you would never have absolute security, because the manufacturer might import the canvas from Europe and if the statement of Mr. Tayabji is not proved to be correct, he might be selling it and submitting the returns.

Mr. Boyd.—I am not in favour of it myself. It would throw more work on us. I am not altogether satisfied that I can check it. This is rather difficult. In the case of salt a lot of work is done in our premises.

Mr. Mathias.—Would you accept a certificate from the Deputy Commissioner or other officer to the effect that Mr. Tayabji has utilised so much of imported canvas for that purpose?

Mr. Boyd.—Yes.

President.—There will not be any difficulty when you are dealing with a man who is known. He carries on his business in the ordinary way and we know his requirements. A question like that doesn't arise. There is no use providing for a thing which may not arise just now.

Dr. Matthai.—Do you remember the printed list that you sent us? I take it the first six kinds are those that you make out of Indian canvas, that is to say up to 4" by 6 ply. That would be 24". Am I right?

Mr. Tayabji.—We can make 6" x 12 ply.

Dr. Matthai.—Above 24" ply.

Mr. Tayabji.—24" and then 6" inside.

Mr. Mathias.—You have no information as to the cost at which cotton ply belting enters the country. It is not distinguished in your returns.

Mr. Tayabji.—No.

COLLECTOR OF CUSTOMS, CALCUTTA.

*Letter from the Tariff Board to the Collector of Customs, Calcutta, No. 368,
dated 25th April 1927.*

I am directed to inform you that the Tariff Board is in need of information relating to the price of imported machine belting and I am therefore to ask if you could kindly supply the Board with a statement showing—

- (a) representative invoice prices; and
- (b) landing charges of
 - (i) cotton belting;
 - (ii) camel hair belting and
 - (iii) canvas ply belting

imported during the years 1924-25, 1925-26 and 1926-27.

If possible the prices should be per foot and should relate to an average size—say 3½" width for cotton and camel hair belting, and 9" eight ply for canvas ply belting.

The Board would be very grateful if this information could be supplied as quickly as convenient.

Letter, dated 30th April 1927 from the Collector of Customs, Calcutta.

With reference to your letter No. 368 of the 25th April 1927, I have the honour to inform you that the following c.i.f. prices represent good merchantable qualities of the articles concerned:—

| | |
|--|-----------------------|
| Camel hair belting, 3½" wide | 2s. per ft. nett. |
| Extra stout cotton belting, 3½" wide | 1s. per ft. nett. |
| Cotton canvas belting, 9" x 8 ply | 7s. 4d. per ft. nett. |

Landing charges are covered by ½ per cent. and the average freight works out to 2½ per cent. on cost.

The prices ruling in 1924-25 were approximately the same as at present, except that the discounts were slightly different for certain well-known brands. At present discounts of 40 per cent. and 10 per cent. are allowed off f.o.b. prices against 42½ per cent. in 1924-25.

COLLECTOR OF CUSTOMS, CALCUTTA.

B.—ORAL.

**Oral evidence of Mr. W. W. NIND, Offg. Collector of Customs,
Calcutta, and Mr. K. K. MENON, recorded at Calcutta
on Tuesday, the 10th May 1927.**

Refund of import duties on raw materials.

President.—Could you refer the Tariff Board to any case in which the import duty on raw materials is refunded on the export of the articles in the manufacture of which such materials have been used? As a matter of fact this request which is practically for a refund of duty on exports seems to me to go somewhat beyond any protective scheme. Two firms have applied for this—one a belting firm and the other one of the wagon building firms. They hope to do export business. As regards wagons, they want to have a refund of duty on steel which is used in building wagons when they export them.

Mr. Nind.—There is a case now in Madras relating to an Aluminium factory. I have got the rules here. They import the raw material and on exporting the manufactured articles, they are granted a drawback as a special case.

President.—Was there any particular reason for that?

Mr. Nind.—I do not know. I have never been in Madras. I have only got these rules. I see that it was in November, 1923, that the Government of India sanctioned them.

President.—That is the only case you know of.

Mr. Nind.—The Maghadi Soda Company used to have it, but they have closed down. That again was granted as a special case.

Dr. Matthai.—When you give a drawback, do you give a complete drawback?

Mr. Nind.—It is always seven-eighths.

President.—That is very much the same as in the case of re-export of manufactured articles, is it not?

Mr. Nind.—Yes, that of course is allowed for in the Sea Customs Act.

President.—Any general system of rebates on raw materials when the manufactured articles are exported, would be a new departure under the present fiscal policy of the Government of India, would it not?

Mr. Nind.—Yes.

Materials for belting.

President.—We have applications for tariff equality in regard to various kinds of belting and it is possible to obtain tariff equality in different ways—either by reducing the duty on the raw material or by giving a rebate to the firms concerned on the raw material or by increasing the duty on imported manufactured goods. But in considering whether the duty should be decreased on any particular raw material, one has obviously to consider the purposes for which that raw material is used. For instance, on the ground that a 2½ per cent. duty on imported belting was in force while a 15 per cent. duty on the raw material, *e.g.*, camel hair yarn, was imposed, one might say that it would be reasonable to reduce the duty on the camel hair yarn. But if the camel hair yarn is used for other purposes besides the manufacture of belting, it would obviously be a matter for further consideration as to whether this particular form of tariff equality should be adopted. So, we should be very much obliged if you could give us from the records of the Customs some

idea as to whether this camel hair yarn is used for any other purposes than the manufacture of belting.

Mr. Nind.—I have got a note here. "The camel hair and cotton yarns imported for the manufacture of machine belting are too coarse for the weaving of cotton cloth and hosiery and the only other apparent use is in the selvage of jute cloth. In this connection a single strand is woven into the border."

President.—I understand that they tried that a couple of years ago and then gave it up.

Mr. Nind.—The sizes of the yarns to which the above note refers are as follows:—

Camel hair—3 ply×5's.

4 ply×5's, practically the same as they manufacture.

President.—Do you consider that all these kinds produced here, viz., $\frac{3}{5}$'s, $\frac{4}{5\frac{1}{2}}$'s, $\frac{4}{5\frac{1}{2}}$'s and $\frac{3}{5}$'s would be used only in the manufacture of belting?

Mr. Menon.—They are not imported for any other purpose.

President.—As regards cotton yarn, the following are the sizes given to us:—

6 ply×15's.

15 ply×15's.

10 ply×4's.

18 ply×13 $\frac{1}{4}$'s.

22 ply×13 $\frac{1}{4}$'s.

Mr. Nind.—We have got these sizes here in the note.

Dr. Matthai.—I take it there will be no difficulty in telling what is camel hair yarn.

Mr. Nind.—No.

President.—There is another kind of belting which is called canvas ply belting, that is to say which is manufactured out of imported canvas the width of which is over 24 inches.

Mr. Menon.—That is not imported to any great extent. It is only used as a conveyor belt and not as a driving belt at all.

President.—We have actually got an application from Messrs. Tyabji and Company, Rangoon, asking for tariff equality in respect of this.

Mr. Menon.—The canvas is not imported only for that purpose. It can be used for many other purposes.

President.—Mr. Tyabji said that the weight of the canvas he used was 1 $\frac{1}{2}$ lbs. per square yard. Could you give us any idea whether canvas of that particular weight would be used for anything else?

Mr. Menon.—I should think so. There has been no special importation of canvas for belting alone.

President.—Could you give us any idea of the total amount of canvas imported?

Mr. Nind.—Last year it was Rs. 7,20,000. That is for all India.

President.—There is a duty on that of 11 per cent.

Mr. Nind.—Yes.

President.—That is about Rs. 70,000 a year.

Mr. Nind.—Yes.

President.—You say that it would be difficult for the Customs to differentiate canvas according to the weight. Would it involve a lot of extra work?

Mr. Nind.—If canvas of a certain weight was to be exempted from duty, we should have to check it.

President.—It would be troublesome, would it not?

Mr. Nind.—Yes.

President.—In the case of a single firm perhaps the simplest method would be, if it were found justifiable, to give a rebate to the firm concerned at the end of the year on its total imports.

Mr. Nind.—Yes, but we should have to be satisfied that it was actually used for that particular purpose.

President.—I imagine in Rangoon there would not be very much difficulty; one of the Customs officers can go round and verify that. The factory does not employ any elaborate machinery.

Mr. Nind.—That is simple enough. On the other hand from the administrative point of view I think that Government are opposed to it as a matter of principle.

President.—That is rebate to a particular manufacture.

Mr. Nind.—Yes.

President.—You allow the Indian Cable Company to import free of duty.

Mr. Nind.—Yes. From our point of view, if a certain firm is allowed to import free of duty, that is perfectly simple, but if we have to give a rebate afterwards on being satisfied that the article has been used in a certain way, that is liable to give trouble. It is simple enough, if there is only one firm, as you say, in the case of Rangoon, because a man can go round and satisfy himself that it is being used for a particular purpose. But suppose some firm is established say in Nagpur or in any other place, then from our point of view, it becomes very difficult.

President.—There are difficulties of course, but on the other hand a reduction of duty in this case would also probably result in losing revenue unnecessarily.

Mr. Nind.—Yes, but I was looking at it merely from the administrative point of view.

President.—The revenue would not be very heavy if you classified the canvas into two classes and said that on canvas of the weight of $1\frac{1}{2}$ lbs. per square yard we would allow so much. Would that give extra administrative trouble?

Mr. Nind.—Yes, it would mean checking the weights.

President.—On the other hand if we raised the duty on canvas ply belting, it would obviously be anomalous that the duty on canvas ply belting should be raised while the duty on camel hair and cotton belting should remain unchanged.

Mr. Nind.—That is so.

Dr. Matthai.—Is there any other suggestion that you can make? It is quite possible that somebody at Nagpur for instance may start next year. But we can consider the case when it arises. This rebate would only apply to Messrs. Tyabji and Company who is now making cotton ply belting.

President.—It might assist matters if we said that no rebate less than so many hundred rupees at the end of the year should be allowed. That would mean that the factory must be something more than merely a *durzi* shop.

Mr. Nind.—If there are many places to visit and if the factories are away from the ports, there is bound to be difficulty. Of course Government might employ men on the spot to inspect but if it means sending up men from the ports, it would be difficult.

President.—I take it that in the up-country market it would be easy to obtain a certificate from the Collector, or one of his assistants.

Mr. Nind.—But there I imagine that there would be difficulties on account of provincial and central subjects.

President.—I don't think that there should be any difficulty.

Mr. Nind.—If it was going to be up-country, we would naturally prefer to accept a certificate from some Government official there.

President.—The only application we have so far received is from Messrs. Tyabji and Company at Rangoon. Considering the present problem before us, there would be no difficulty, would there?

Mr. Nind.—I don't think so.

President.—We might allow other cases arising later to take care of themselves.

Mr. Nind.—That is so, but I am thinking of the thin end of the wedge.

* * * * *

Belting.

President.—Referring again to this question of belting, Messrs. Birkmyre Brothers told us that they import a particular kind of dressing for their belting which they call black proofing. We understood from their representative that this proofing is used for nothing except for the proofing of belting. Can you give us any information about that?

Mr. Menon.—Is it a belt dressing? There are many kinds of dressings which are used as belt preservative.

Dr. Matthai.—That is to say jute mills using belting might import these for preserving their belting?

Mr. Menon.—Yes.

President.—I understand that proofing is used in the manufacture and not merely as a preservative.

Mr. Menon.—I am afraid these will not be restricted to the manufacturer of belting but to persons using belting as well.

President.—Could you verify whether the black proofing that Birkmyres use, is used for any other purpose? It is called black proofing and is imported in 4 gallon drums.

Mr. Menon.—I will do so.

Dr. Matthai.—How would an article of this kind be liable to duty?

Mr. Menon.—As general engineering material 15 per cent.

* * * * *

Belting.

Dr. Matthai.—Supposing somebody imports camel hair, not camel hair yarn, will that come in as wool? It is a sort of wool, is it not?

Mr. Menon.—There has been no importation of any such thing.

Dr. Matthai.—Supposing you had a consignment of camel hair; in the main it is wool and 4 per cent. only is camel hair. Wool comes in free, does it not?

Mr. Menon.—Yes. I think there is nothing to prevent camel hair coming in free. The ordinary meaning of the word wool is that coming from the sheep. Speaking off-hand I should say it is a debatable point.

President.—If we recommended the imposition of a duty on wagons, castings and fittings, that is to say forgings, obviously we shall not recommend any additional duty on those fittings which are not manufactured in India which we understand to be only the vacuum brake. Supposing we recommended a duty on all other fittings and castings for wagons and that duty was the same *ad valorem* so much per cent.—what alteration would be necessary in this entry 101 in the schedule. We shall have to make a separate entry for wagons, should we not?

Mr. Menon.—Vacuum brake can be exempted. You can say excluding vacuum brake and take carriages and wagons out.

President.—Then you will have to take out castings and wagon fittings?

Mr. Menon.—That is comprised of component parts under item 63A.

Mr. Nind.—Give exemption to vacuum brake gear, cut out carriages from item 101

Mr. Menon.—You can mention carriages, wagons and component parts thereof excepting vacuum brake gear.

Dr. Matthai.—There will be no difficulty about underframes. The word carriage would cover underframes, would it not?

Mr. Nind.—Yes, there would be no difficulty.

President.—You will have carriages and wagons which will cover underframes?

Mr. Menon.—Underframes are common to both.

President.—There will be no particular difficulty about it?

Mr. Nind.—No. It will be a specific exemption.

* * * * *

Belting.

President.—Another small point that occurs to me regarding belting is that it will be necessary, if we recommend a reduction in the duty on hair belting and an exemption of duty to a particular firm for cotton ply belting to show these under three heads separately.

Mr. Nind.—I do not know whether that necessarily follows. We have our revenue heads which are quite separate. They do not always agree with our statistical heads or trade figures.

Dr. Matthai.—Trade Returns and Tariff Schedules, they do not always agree.

Mr. Nind.—They do not agree and we keep separate registers.

President.—Take this item in the Tariff Schedule—No. 106 “Yarns and Textile Fabrics, that is to say:—

* * * * *

All other sorts of yarns and textile fabrics, not otherwise specified.”

Would you not have to subdivide that? Would you not have to say that the duty on camel hair yarn is so much per cent.?

Mr. Nind.—Yes, if you want a separate heading for that.

President.—I think that you would require it as far as camel hair yarn is concerned.

Mr. Nind.—Yes.

President.—If we made a recommendation about cotton yarn, there would have to be a separate heading for that.

Mr. Nind.—We have got a separate item No. 104 “Cotton twist and yarn, and cotton sewing or darning thread” carrying a duty of 5 per cent. *ad valorem*.

President.—You will have to say Cotton twist and yarn count so and so.

Mr. Nind.—Yes, it would have to be specified.

President.—As regards canvas ply it would be unnecessary to have a separate head for that if it was a rebate to a particular firm.

Mr. Nind.—No, because it would not affect the tariff.

Dr. Matthai.—There is no attempt made now practically to distinguish counts.

Mr. Menon.—No.

Dr. Matthai.—It would be rather a departure.

Mr. Menon.—Yes, but it would not be difficult.

President.—You won't have to incur any additional expenditure if you have to assess the duty on the counts.

Mr. Nind.—No.

President.—You won't have also any administrative difficulty.

Mr. Nind.—No.

Messrs. BURN & Co., CALCUTTA.**A.—WRITTEN.***Letter, dated the 2nd June 1927.*

On behalf of the Indian Standard Wagon Company, Limited and Burn and Company, Limited, we have pleasure in forwarding herewith answers to the questions raised at our oral examination.

* * * * *

Q. 8. Have we any quotations for hair and cotton belting?

A. 8. Regret we have no quotations.

B.—ORAL.

Evidence of Messrs. A. V. NICOLLE and R. F. WALKER, recorded at Calcutta on Wednesday, the 4th May, 1927.

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Machine Belting.

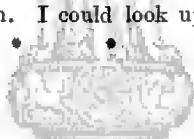
President.—We are also considering machine belting. We would be very much obliged if you could give us c.i.f. quotations if possible for hair belting 3½" and cotton belting?

Mr. Nicolle.—They are not items in which we deal much.

Dr. Matthai.—You don't import any belting.

Mr. Nicolle.—Practically none. I am afraid we are not suitable people to give you that information. I could look up statistics if you like.

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सत्यमेव जयते

INDIAN STORE DEPARTMENT.

Letter No. M.-5, dated the 31st May 1927, from Mr. H. Y. Davy, to Mr. A. E. Mathias, President, Tariff Board.

In continuation of my D. O. No. M.-5, dated 16th May 1927, I enclose herewith particulars obtained from the Intelligence Branch, Headquarters Office, for 3½" hair belting. I regret the delay, caused by the fact that bolting is delivered to the India Store Depot and the Director General, India Store Department's lists did not contain the transit charges from the depot to the Indian Port. I have worked them out and the c.i.f. price I have given is, I believe, correct within a rupee. There was, I regret to say, no record of purchases of 3" hair belting having been made during the past two years by the Director General, India Store Department.

I regret I am unable to communicate the dates of the orders. Copy contracts are not received in the Intelligence Branch of the Indian Stores Department.



नमो भगवते वासुदेवाय

| Item No. | Description of articles. | Contractor's Name. | Quantity ordered. | Rate. | Unit. | Delivery. | Prices C. I. E. Indian ports. | Date of Contract. |
|----------|--|---|--|--|--|---|---|-------------------|
| 1 | Axleboxes, cast steel or malleable cast iron, with all fittings but without brasses, for 10" x 5" journals, for broad gauge stock :— (a) For narrow axleguard groove (b) For double axleguards (c) 1" groove for axleguards (d) Groove 2½" (e) Type I. R. C. A. for goods stock | Acieries de Haine-Saint-Pierre et Lesquin, per Banting & Tresilian Limited, 64, Victoria Street, S. W. 1. | ... | s. d. ... | ... | ... | Bs. A. P. | 22nd Feb. 1927. |
| 2 | Axleboxes, cast steel or malleable cast iron with all fittings and steel liners, but without brasses No. 6 for 10" x 5" journals for wagons. | Societe anonyme Usines et Acieres Allard Montisur-Merchismne, Belgium, Agent, Mr. J. Ghion, 120, Moorgate, London, E. C. 2. The Hainicot Steel Foundry, 5, Laurence Pountney Hill, Cannon Street, London, E. C. 4. Ditto. | 100 100 800 2,600 100 700 | 20 3 32 0 18 3 18 0 23 0 19 0 | Each F.O.B. " " " " " " " " " " | Antwerp. " " " " " " " " " " | 14 14 2 22 11 9 13 8 10 13 6 2 16 11 7 14 0 10 | 30th Dec. 1926. |
| 3 | Axleboxes, cast steel or malleable cast iron with brasses, steel liners, face plates, dust shields and all fittings, complete for 10" x 5" journals. | | 500 | ... | " | " | 32 1 5 | 2nd Nov. 1926. |
| 4 | Axleboxes, cast steel or malleable cast iron, with steel liners and fittings, but without brasses, and bolts and nuts for face plates; No. 6 for 10" x 5" journals. | | 2,000 | 16 4 | " | " | 12 4 3 | 18th Aug. 1926. |
| 5 | Axleboxes, cast steel for I. S. R. wagons for 10" x 5" journals, complete with key plates, lids and leather washers, but without gun metal bearings and leather dust shields. | Acieries de Haine-Saint-Pierre et Lesquin, per London Agents, Banting & Tresilian, Limited, 64, Victoria Street, Westminster, S.W. 1. Ate Francaise des Acieries de Blanc, Musoron, Quierchan (Yord), France. | 400 | 16 4 | " | " | 12 4 3 | 24th June 1926. |
| 6 | Axleboxes No. 4 cast steel for 10" x 5" journals, with key plates, dust shields, face plates, etc., but without brasses and bolts and nuts for face plates. | | 150 | 16 5-1 | " | " | 12 5 3 | 28th July 1926. |
| 7 | Belting, hair, of best quality 3½" standard, substance approximate 84 m/m thick. | F. Reddaway & Co., Limited, Bush House, Aldwych, W. C. 2. | 400 feet. | 1 11½ per foot. | " | Delivered at India Store Depot, London. | 531 5 0 Approx. | 25th Nov. 1925. |



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